S3985-2

ANNUAL FINANCIAL REPORT
OF THE
STATE OF MICHIGAN

FISCAL YEAR ENDED SEPTEMBER 30, 1983

Prepared By:

THE DEPARTMENT OF MANAGEMENT AND BUDGET
ROBERT H. NAFTALY, DIRECTOR

ACCOUNTING DIVISION
JAMES J. BOLTHOUSE, DIRECTOR

JAMES J. BLANCHARD
GOVERNOR

STATE OF MICHIGAN

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 1983

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STATE OF MICHIGAN

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Statements and schedules are truncated to thousands of dollars and for this reason they may not foot to the totals.

The Honorable James J. Blanchard, Governor
Members of the Legislature
People of the State of Michigan

In compliance with Article IX, Section 21, of the State of Michigan Constitution and Michigan Public Act 222 of 1965, I hereby transmit the Annual Financial Report of the State of Michigan for the fiscal year ended September 30, 1983.

Except for the omission of a general fixed asset account group and the omission of the financial activity of two organizations, as explained in the following "Reporting Entity" paragraph, the accompanying statements are prepared in accordance with generally accepted accounting principles (G.A.A.P.). Compliance with applicable statutory and budgetary considerations is demonstrated in the "Combined Statement of Revenues, Expenditures and Encumbrances, and Changes in Fund Balances - Budget and Actual - (Statutory/Budgetary Basis) General and Special Revenue Fund Types."

To illustrate the impact of this difference on the unreserved fund balance in the General Fund, the following table reconciles the September 30, 1983 and September 30, 1982 unreserved fund balances (deficits) computed according to both bases (in millions):

	September 30, 1983	September 30, 1982
Statutory/Budgetary Unreserved Fund Balance..........	$ 19.7	$ 6.2
Accrual of Income Tax Refund Liabilities...........	(682.2)	(686.2)
Accrual of Medicaid Expenditures, Net of Related Revenues..	(138.2)	(119.9)
Accrual of Utility Cost Settlements................	-	(28.7)
Compensation Related Accruals, Net of Related Revenues..	(18.8)	(24.0)
Working Capital Reserve............................	169.1	53.8
State Accounting and Fiscal Responsibility Reserve (S.A.F.R.)..............................	61.1	-
Transfer from Budget Stabilization Fund............	3.3	3.0
G.A.A.P. Unreserved Fund (Deficit)..................	$(586.2)	$(795.8)

The "Working Capital Reserve" accounts for the increased taxes on cigarettes which were authorized by P.A. 73 of 1982. When the tax has accumulated sufficient resources, the income tax refund liability will be recorded in the statutory/budgetary based statement and the reserve eliminated.

The "State Accounting and Fiscal Responsibility Reserve" (S.A.F.R.) accounts for the cash collections of .25% of the 1.75% personal income tax increase that was authorized by P.A. 14 of 1983. As accumulations become sufficient to cover medicaid and utility cost settlements, the amounts are recorded in statutory/budgetary based statements and the reserve is reduced a like amount. During 1982-83 it was possible to record all the utility cost settlements and the "general assistance medical" portion of medicaid costs.

The liabilities mentioned in the two preceding paragraphs have been recorded in the G.A.A.P. based computation of unreserved fund deficit at September 30, 1983. Accordingly, the two reserves are not considered under the G.A.A.P. based calculation of unreserved fund balance, thus requiring inclusion as reconciling items.

Management's Responsibility for Financial Reporting

This report was prepared by the Department of Management and Budget, Accounting Division, which is responsible for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. With the exception of the previously stated G.A.A.P. departures, I am confident the data is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of the State's operations as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the State's financial affairs have been included.

The State's system of internal accounting controls is designed to provide reasonable assurance as to the protection of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets.

The financial statements have been examined by the Office of the Auditor General. Their examination was conducted in accordance with generally accepted auditing standards, and their opinion appears elsewhere herein.

The Reporting Entity

In prior fiscal years, the State of Michigan reporting entity was defined generally as all State departments, agencies, and institutions whose monies were deposited with and disbursed by the State Treasurer. This year, in accordance with National Council on Governmental Accounting, Statement #3, a broader definition of the reporting entity has been adopted, and as a result, the following additional organizations are included in the State's financial report for the first time.

- State Building Authority
- Mackinac Bridge Authority
- Michigan Job Development Authority
- Michigan Higher Education Facilities Authority
- Michigan Family Farm Development Authority
- Michigan State Housing Development Authority
- Michigan State Hospital Finance Authority
- Michigan Higher Education Student Loan Authority
- Michigan Economic Development Authority
- Mackinac Island State Park Commission

Two other organizations, the Michigan Unemployment Compensation Fund of the Michigan Employment Security Commission and the Michigan Higher Education Assistance Authority, were determined to be a part of the State of Michigan reporting entity, but have not been included in their entirety because audited financial statements prepared in accordance with generally accepted accounting principles are not available.

An additional organization, the Michigan State Accident Fund (MSAF), substantially meets the criteria for inclusion in the reporting entity. However, a final determination has not yet been made because the State and the MSAF are involved in a court case that is expected to result in clarification of the MSAF status as either a State agency or a private organization.

The State is also party to a joint venture entered into with the Canadian government for the operation of the International Bridge at Sault Ste. Marie, Michigan.

Governmental Functions

Excluding the aforementioned State authorities, revenues for governmental type funds totaled $11.2 billion in 1983, an increase of 11.3% over 1982. Taxes represented 65.6% of general revenues compared to 63.3% in 1982. The amount of revenues from various sources and the changes from last year are shown below (expressed in thousands):

Revenue Source - G.A.A.P. Basis	Amount	Percent of Total	Increase From 1982
Taxes	$ 7,337,434	65.6%	$ 966,242
Federal agencies	2,773,406	24.8	131,906
Local agencies	154,446	1.4	22,811
Services	62,511	0.5	3,492
Licenses and permits	134,794	1.2	6,435
Miscellaneous	725,175	6.5	2,815
Total	$11,187,766	100.0%	$ 1,133,701

State revenues gained strength during the fiscal year as national and social economic conditions continued to improve. Of the $966 million increase in revenue from taxes, $607 million can be attributed to an increase in personal income taxes, $128 million to additional sales taxes, $99 million to increased single business taxes, and $54 million to increased cigarette taxes. An increase in use tax collections contributed another $32 million to the total.

Governmental Functions (Continued)

Excluding the aforementioned State authorities, expenditures for governmental type funds totaled $10.9 billion, an increase of 5.7% over 1982. The amount of expenditures for major functions and the changes from last year are shown below (expressed in thousands):

Expenditures by Function - G.A.A.P. Basis	Amount	Percent of Total	Increase (Decrease) From 1982
General government	$ 773,612	7.1%	$ (39,274)
Education	3,002,608	27.5	287,014
Health and welfare	3,770,790	34.6	179,454
Public safety & corrections	374,122	3.4	12,208
Conservation, recreation, & agriculture	185,586	1.7	10,918
Labor, commerce & regulatory	444,322	4.1	56,485
Mental health	630,295	5.8	3,094
Transportation	667,679	6.1	640
State-local revenue sharing grants	595,098	5.5	69,973
Items not assigned to a function	64,371	0.6	56,133
Capital outlay	283,068	2.6	(45,566)
Debt service	110,635	1.0	(4,439)
Total	$10,902,186	100.0%	$ 586,640

Expenditures for education increased $287.0 million, or 10.6%, from 1982 because of increased State grants to colleges and universities.

Expenditures for State-local revenue sharing grants increased $70.0 million, or 13.3%, principally because of 1981-82 Executive Order reductions.

Expenditures for items not assigned to a function increased $56.1 million, or 681.4% due to an unbudgeted write-down of accounts receivable from Wayne County and the unbudgeted recognition of a liability for over-collections of single business tax receipts in prior years.

The unreserved fund balances of the major operating funds were maintained at adequate levels, except for the General Fund which ended the 1982-83 fiscal year with a $586.2 million deficit. This, however, represents a $209.6 million improvement from the $795.8 million deficit recorded in 1982. The combined unreserved fund balances of the Special Revenue Funds totaled $45.2 million at the 1983 year end; a $15.5 million increase. The combined unreserved fund balances of the Debt Service Funds increased from $13.6 million in 1982 to $16.6 million.

Debt Management

Continuing a seven year trend, redemptions of general obligation debt exceeded issuances. The decline of $51.7 million in outstanding bonds can be summarized as follows:

	Thousands	
	1983	1982
Outstanding at beginning of year	$ 361,000	$ 409,600
Bonds redeemed	(51,700)	(48,600)
Outstanding at end of year	$ 309,300	$ 361,000

Revenue dedicated bonded debt of the State increased by $111.2 million from $238.6 million in 1981-82 to $349.8 million. Debt service will be provided primarily by certain transportation related revenues with additional amounts supplied by State park fees, local contributions (on joint effort bonds), and interest earnings of the Debt Service Funds.

Revenue dedicated bonded debt - State Authorities - Governmental increased by $245.1 million from $214.4 million in 1982 to $459.5 million. Debt service will be provided by authority revenues, General Fund appropriations, an annual transfer from the Michigan Transportation Fund, excess bond proceeds, and investment earnings.

Proprietary Funds

Combined operating revenues for the State's enterprise funds declined from $427.0 million to $410.9 million in 1982-83 while operating expenses declined from $366.2 million to $357.0 million in 1983. The Liquor Purchase Revolving Fund accounts for the majority of the activity in enterprise operations. Liquor operating revenues were $406.8 million and operating expenses were $351.1 million.

The operating results of the internal service funds increased at a modest level during fiscal 1982-83. Total operating revenues and expenses increased by $10.9 million and $11.9 million respectively to $244.5 million and $244.3 million each. The majority of the activity in this fund group is in the State Sponsored Group Insurance Fund. The greatest increase in activity during the year was in the Motor Transport Revolving Fund and resulted from taking over the Department of State Police fleet of vehicles.

Pension Plan

The assets (at cost) of those funds included in this report as retirement funds totaled $8.3 billion at September 30, 1983. The latest actuarial valuation of the two largest funds, the Public School Employees' Retirement System (PSERS) and the State Employees' Retirement System (SERS), were prepared as of September 30, 1983. The PSERS had net assets (at cost) of $6.2 billion versus the present value of credited projected benefits of $7.5 billion at September 30, 1983. The SERS had net assets of $1.8 billion versus the present value of credited projected benefits of $2.0 billion at September 30, 1983. 1982-83 contributions to the PSERS were sufficient to cover the current service as well as to amortize prior service costs in accordance with generally accepted accounting principles. The 1982-83 contributions to the SERS were deficient by $11.7 million.

General Fixed Assets

A General Fixed Assets Account Group is not included in this report. However, a consulting firm has been engaged to study alternatives relative to the development of a system that will accurately maintain and report general fixed asset information.

Closing Note

The preparation of this report could not have been accomplished without the dedication and cooperation of many people. I would therefore like to express my appreciation for the assistance given by the various officials, department heads, and staff personnel who contributed to its preparation. I believe their combined efforts have produced a report that will enable government decision makers and concerned citizens to better evaluate and understand the State's financial condition.

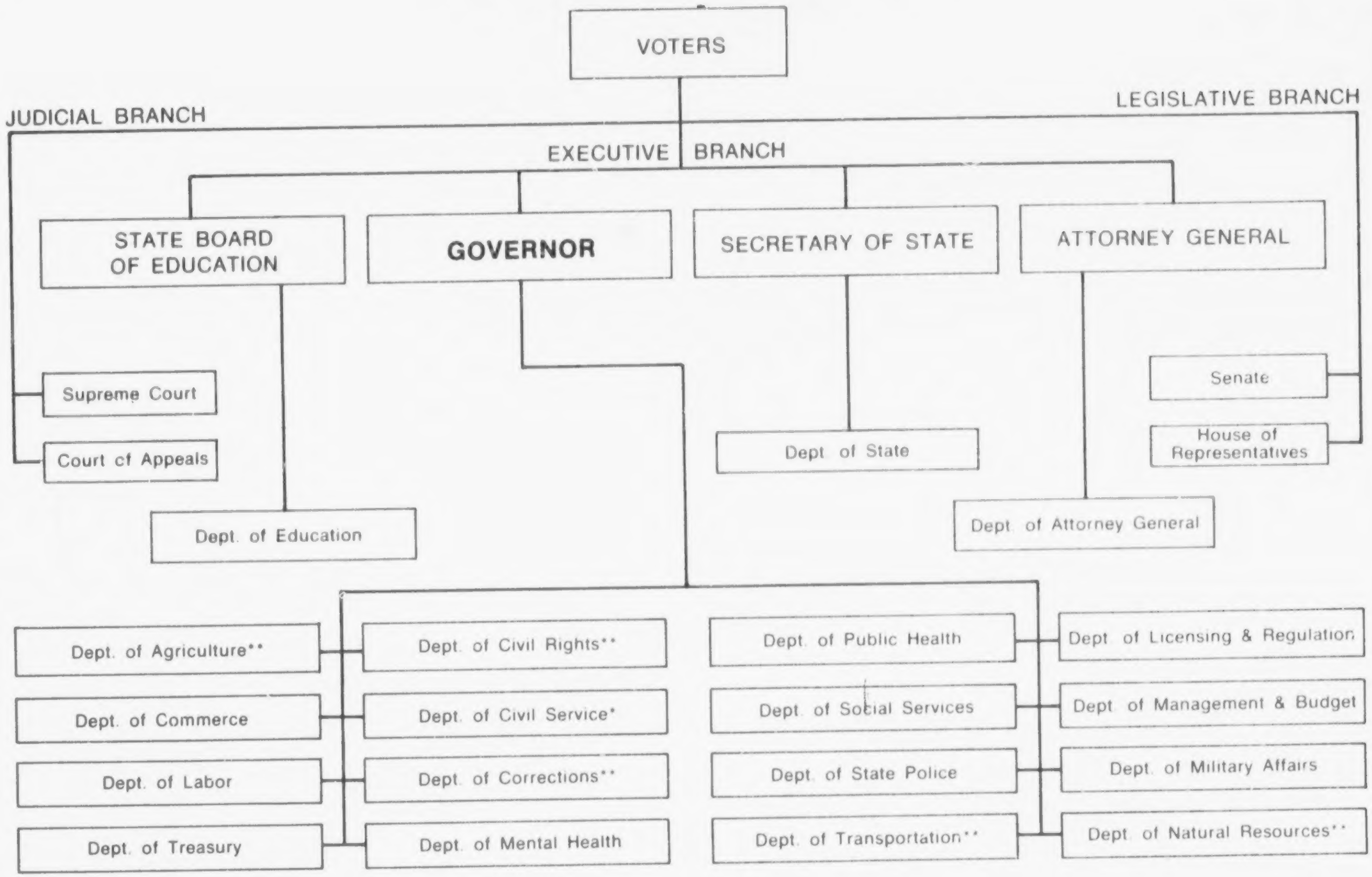
Very truly yours,

Director

April 10, 1984

STATE OF MICHIGAN

Organizational Structure


VOTERS
JUDICIAL BRANCH
EXECUTIVE BRANCH
LEGISLATIVE BRANCH
STATE BOARD OF EDUCATION
GOVERNOR
SECRETARY OF STATE
ATTORNEY GENERAL
Supreme Court
Court of Appeals
Dept. of Education
Dept. of State
Dept. of Attorney General
Senate
House of Representatives
Dept. of Agriculture**
Dept. of Commerce
Dept. of Labor
Dept. of Treasury
Dept. of Civil Rights**
Dept. of Civil Service*
Dept. of Corrections**
Dept. of Mental Health
Dept. of Public Health
Dept. of Social Services
Dept. of State Police
Dept. of Transportation**
Dept. of Licensing & Regulation
Dept. of Management & Budget
Dept. of Military Affairs
Dept. of Natural Resources**

*Have Commission appointed by Governor
**Have Commission appointed by Governor, confirmed by Senate

STATE OF MICHIGAN

PRINCIPAL STATE OFFICIALS

JUDICIAL BRANCH

Supreme Court Justices
Honorable G. Mennen Williams, Chief Justice
Honorable Thomas G. Kavanagh, Associate Justice
Honorable Charles L. Levin, Associate Justice
Honorable James L. Ryan, Associate Justice
Honorable James H. Brickley, Associate Justice
Honorable Michael F. Cavanagh, Associate Justice
Honorable Patricia J. Boyle, Associate Justice

LEGISLATIVE BRANCH

Honorable Martha W. Griffiths
President of the Senate

Honorable Gary W. Owen
Speaker of the House of Representatives

Franklin C. Pinkelman
Legislative Auditor General

EXECUTIVE BRANCH

Honorable James J. Blanchard, Governor

Honorable Frank J. Kelley, Attorney General

Honorable Richard H. Austin, Secretary of State

State Board of Education
  Honorable James J. Blanchard (Ex Officio)
  Honorable Barbara Dumouchelle
  Honorable Carroll Hutton
  Honorable Barbara Roberts Mason
  Honorable Annetta Miller
  Honorable Gumecindo Salas
  Honorable Norman Otto Stockmeyer, Sr.
  Honorable Edmund F. Vandette
  Honorable John Watanen, Jr.
Phillip E. Runkel, Superintendent of Public Instruction

Michigan Commission of Agriculture
  Robert Chaffin
  David D. Diehl
  Rita M. Reid
  Rebecca Tompkins
  S. Leon Whitney
Paul Kindinger, Director, Department of Agriculture

Civil Rights Commission
  Catherine C. Blackwell
  Beverly Clark
  Dorothy Haener
  Michael C. Hidalgo
  Rev. William Holly
  Alan A. May
  Benny N. Napoleon
  Philip VanDam

Ronald L. Quincy, Director, Dept. of Civil Rights

Civil Service Commission
  John F. Dodge, Jr.
  Walter R. Greene
  William E. Long
  Harriet B. Rotter
John F. Hueni, Jr., Director, Dept. of Civil Service

Ralph J. Gerson, Director, Department of Commerce

Corrections Commission
  Gwen Andrew
  Brunetta Brandy
  Thomas K. Eardley, Jr.
  James H. Lincoln
  Duane L. Waters
Perry M. Johnson, Director, Department of Corrections

S. Martin Taylor, Director, Department of Labor

Elizabeth P Howe, Director, Department of Licensing and Regulation

Robert H. Naftaly, Director, Department of Management and Budget

C. Patrick Babcock, Director, Department of Mental Health

Major Gen. Vernon J. Andrews, Director, Department of Military Affairs

Natural Resources Commission
  Thomas J. Anderson
  E. R. (Gene) Carollo
  Marlene J. Fluharty
  Stephen V. Monsma
  O. Stewart Myers
  Raymond Poupore
  Harry H. Whiteley
Ronald O. Skoog, Director, Department of Natural Resources

Gloria R. Smith, Director, Department of Public Health

Agnes M. Mansour, Director, Department of Social Services

Col. Gerald L. Hough, Director, Department of State Police

Transportation Commission
  William C. Marshall
  Hannes Meyers, Jr.
  Lawrence C. Patrick, Jr.
  Carl V. Pellonpaa
  Weston E. Vivian
  Rodger D. Young
James P. Pitz, Director, Dept. of Transportation

Robert A. Bowman, State Treasurer

STATE OF MICHIGAN
OFFICE OF THE AUDITOR GENERAL
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LANSING, MICHIGAN 48913
(517) 373-3773

FRANKLIN C. PINKELMAN, C.P.A.
AUDITOR GENERAL

CHARLES S. JONES, C.P.A.
DEPUTY

April 10, 1984

The Honorable James J. Blanchard, Governor
Members of the Legislature

We have examined the general purpose financial statements of the State of Michigan principally as of September 30, 1983 and for the fiscal year then ended, listed in the foregoing table of contents. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We did not examine the financial statements of the State authorities - governmental and proprietary types, which are more fully described in Note 1 to the general purpose financial statements. These statements were examined by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts reported for these authorities, is based solely upon the reports of the other auditors.

As discussed in Note 2, the general purpose financial statements referred to above do not include a General Fixed Assets Account Group which should be included to conform with generally accepted accounting principles.

As described in Note 1, the general purpose financial statements referred to in the first paragraph do not include certain amounts related to the Michigan Higher Education Assistance Authority, as required by generally accepted accounting principles. This omission results in understatement of the amounts reported in the general purpose financial statements for the State Authorities - Proprietary fund type.

As described in Notes 1 and 21, the general purpose financial statements referred to in the first paragraph do not include the Michigan Unemployment Compensation Fund of the Michigan Employment Security Commission, as required by generally accepted accounting principles. This omission results in understatement of the amounts reported in the general purpose financial statements for the fiduciary fund type - Expendable Trust and the General Long-Term Obligations Account Group.

In our opinion, based upon our examination and the reports of other auditors, except as stated in the following sentence and except for the effects of the matters discussed in the second and third paragraphs, the general purpose financial statements referred to in the first paragraph present fairly the financial position of the various fund types of the State of Michigan principally as of September 30, 1983, and the results of operations of such fund types and the changes in financial position of the proprietary fund types and retirement related trust funds for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year, after restatement for the change in the State's reporting entity as described in Note 5 to the general purpose financial statements. In our opinion, because of the effects of the matter discussed in the fourth paragraph, the general purpose financial statements referred to in the first paragraph do not present fairly, in conformity with generally accepted accounting principles, the financial position of the fiduciary fund type - Trust and Agency funds and the General Long-Term Obligations Account Group as of September 30, 1983 and the results of operations of the fiduciary fund type - Expendable Trust for the year then ended.

Our examination also comprehended the supplemental financial data listed in the foregoing table of contents. In our opinion, except for the effects of the matters discussed in the third and fourth paragraphs, such supplemental data when considered in relation to the general purpose financial statements presents fairly in all material respects the information shown therein.

The statistical data listed in the foregoing table of contents was not audited by us and, accordingly, we express no opinion on it.

Sincerely,

F C Pinkelman

Franklin C. Pinkelman, C.P.A.
Auditor General

Deloitte Haskins+Sells

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100 Renaissance Center
Detroit, Michigan 48243
(313) 446-0100
TWX 810-221-9473

April 10, 1984

The Honorable Franklin C. Pinkelman, CPA
Auditor General
State of Michigan
Lansing, Michigan

We have reviewed the general purpose financial statements of the State of Michigan principally as of September 30, 1983 and for the fiscal year then ended, listed in the foregoing table of contents, in accordance with standards established by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the State of Michigan Department of Management and Budget.

A review consists principally of inquiries of State personnel, and analytical procedures applied to financial data. It is substantially less in scope than an examination in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, except for the matters described in the following paragraph, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

As explained in Notes 1 and 2, the accompanying general purpose financial statements do not include a Statement of General Fixed Assets or a substantial portion of the assets, liabilities and operations of the Michigan Employment Security Commission and Michigan Higher Education Assistance Authority, which should be included to conform with generally accepted accounting principles.

Yours truly,

Deloitte Haskins & Sells

STATE OF MICHIGAN

COMBINED BALANCE SHEET

ALL FUND TYPES AND ACCOUNT GROUP

1993

(In Thousands)

	GOVERNMENTAL FUND TYPES				
	GENERAL SEPTEMBER 30	SPECIAL REVENUE SEPTEMBER 30	DEBT SERVICE SEPTEMBER 30	CAPITAL PROJECTS SEPTEMBER 30	STATE AUTHORITIES-GOVERNMENTAL (NOTE 31)
ASSETS					
Current assets:					
Cash and cash equivalents................	$ 6,017	$ 1,900	$ -	$ -	$ 1,454
Equity in State Treasurer's Common Cash (Note 11).........................	-	437,449	10,646	2,181	-
Taxes, interest, and penalties receivable................................	1,201,597	168,356	-	-	-
Less allowance for uncollectible taxes.	(195,391)	(32,836)	-	-	-
Less revenue expected to be received more than 12 months after year-end...	(17,827)	(2,743)	-	-	-
Amounts due from other funds (Note 25)...	1,128	38,811	33	-	244
Amounts receivable from federal governmental agencies..................	306,147	71,471	-	631	-
Amounts receivable from local units of government............................	154,482	35,788	-	-	16
Less allowance for loss (Note 13)......	(89,500)	-	-	-	-
Inventories...............................	13,551	11,266	-	-	-
Investments (Notes 15 and 32)............	-	-	8,588	17,333	124,213
Other current assets.....................	40,618	17,835	266	139	5,305
Total Current Assets.....................	1,420,825	747,299	19,635	20,286	131,232
Amounts due from other funds (Note 25).....	750	2,576	-	-	-
Amounts receivable from local units of government............................	26,712	69,121	-	-	-
Mortgage notes and loans receivable (Note 33)................................	-	-	-	-	-
Security investments -- equities at cost, all others at face value less collections on principal (Notes 15 and 32)...........	-	50,234	490	-	94,795
Security investments -- unamortized premium or discount (Notes 15 and 32)....	-	(62)	1	-	2,412
Property, plant, and equipment:					
Land......................................	-	-	-	-	-
Buildings and equipment..................	-	-	-	-	-
Historical objects.......................	-	-	-	-	-
Construction in progress.................	-	-	-	-	-
Total property, plant, and equipment....	-	-	-	-	-
Allowance for depreciation................	-	-	-	-	-
Other noncurrent assets..................	10,706	12,606	-	-	-
Amount available for retirement of bonds...	-	-	-	-	-
Amount to be provided for retirement of bonds................................	-	-	-	-	-
Amounts to be provided for other long-term obligations (Note 24)..........	-	-	-	-	-
Total Assets..............................	$ 1,458,994	$ 881,775	$ 20,127	$ 20,286	$ 228,439

The accompanying notes are an integral part of the financial statements.

PROPRIETARY FUND TYPES			FIDUCIARY FUND TYPE	ACCOUNT GROUP	TOTALS (MEMORANDUM ONLY)	
ENTERPRISE SEPTEMBER 30	INTERNAL SERVICE SEPTEMBER 30	STATE AUTHORITIES PROPRIETARY (NOTE 31)	TRUST AND AGENCY SEPTEMBER 30	GENERAL LONG-TERM OBLIGATIONS SEPTEMBER 30	1983	1982 (Restated)
$ 1,870	$ 1,046	$ 62,368	$ 2,684	$ -	$ 77,342	$ 23,657
21,295	33,861	-	502,718	-	1,008,153	1,043,112
-	-	-	5,113	-	1,375,068	1,037,251
-	-	-	-	-	(228,228)	(152,888)
-	-	-	-	-	(20,571)	(17,101)
36	1,456	-	42,036	-	83,747	123,736
-	-	2,887	18,283	-	399,422	328,241
-	273	-	51,296	-	241,856	176,098
-	-	-	-	-	(89,500)	-
68,012	8,274	-	-	-	101,105	102,640
-	-	620,123	544,200	-	1,314,557	597,225
660	893	42,353	157,639	-	265,711	285,380
91,875	45,804	727,731	1,323,974	-	4,528,664	3,547,355
-	-	-	-	-	3,326	5,444
-	-	-	2,075	-	97,909	29,110
-	-	2,108,615	-	-	2,108,615	1,915,406
-	-	377,686	8,995,999	-	9,519,204	8,356,157
-	-	(6,004)	(541,873)	-	(545,525)	(610,335)
6,901	-	200	-	-	7,101	7,101
22,204	45,845	2,844	-	-	70,893	58,417
-	-	324	-	-	324	324
168	-	528	-	-	696	1,232
29,273	45,845	3,896	-	-	79,014	67,075
(9,993)	(19,902)	(818)	-	-	(30,713)	(27,309)
-	10,838	5,966	2,981	-	43,098	41,687
-	-	-	-	180,373	180,373	76,839
-	-	-	-	938,237	938,237	737,191
-	-	-	-	298,455	298,455	255,819
$ 111,156	$ 82,585	$ 3,217,072	$ 9,783,156	$ 1,417,066	$17,220,659	$14,394,441

STATE OF MICHIGAN

COMBINED BALANCE SHEET (Continued)

ALL FUND TYPES AND ACCOUNT GROUP

1983

(In Thousands)

	GOVERNMENTAL FUND TYPES				
	GENERAL SEPTEMBER 30	SPECIAL REVENUE SEPTEMBER 30	DEBT SERVICE SEPTEMBER 30	CAPITAL PROJECTS SEPTEMBER 30	STATE AUTHORITIES-GOVERNMENTAL (NOTE 31)
LIABILITIES AND FUND EQUITY					
Current Liabilities:					
Liability to State Treasurer's Common Cash (Note 11)........................	$ 127,619	$ 122,168	$ -	$ -	$ -
Warrants outstanding....................	184,680	11,430	-	26	-
Accounts payable and other accrued liabilities............................	767,408	212,800	2,600	156	12,148
Income tax refunds payable.............	682,200	-	-	-	-
Amounts due to other funds (Note 25)...	55,717	25,997	-	113	136
Bonds and notes payable (Note 34)......	-	-	-	-	-
Interest payable........................	-	-	-	-	-
Prize awards payable....................	-	12,945	-	-	-
Deferred revenue........................	24,635	7,132	-	76	50
Escrow funds............................	-	-	-	-	-
Total Current Liabilities.............	1,842,261	392,473	2,600	373	12,334
Long-Term Liabilities:					
Amounts due to other funds (Note 25)...	-	-	-	-	-
Prize awards payable....................	-	31,104	-	-	-
Deferred revenue........................	11,633	13,220	-	-	-
Bonds and notes payable (Notes 24 and 34)......................	-	-	-	-	-
Unamortized premium (discount).........	-	-	-	-	-
Other long-term liabilities (Note 24)..	1,852	-	-	-	-
Total Liabilities.....................	1,855,747	436,798	2,600	373	12,334
Fund Equity:					
Retained earnings and contributions....	-	-	-	-	-
Fund balances:					
Reserved for encumbrances............	55,053	205,513	-	791	-
Reserved for retirement system (Note 17)...........................	-	-	-	-	-
Other reserves (Note 26).............	134,343	194,270	927	1,295	215,490
Unreserved (deficit).................	(586,150)	45,192	16,599	17,826	615
Total Fund Equity (Deficit)...........	(396,753)	444,976	17,526	19,912	216,105
Total Liabilities and Fund Equity.....	$ 1,458,994	$ 881,775	$ 20,127	$ 20,286	$ 228,439

The accompanying notes are an integral part of the financial statements.

PROPRIETARY FUND TYPES			FIDUCIARY FUND TYPE	ACCOUNT GROUP	TOTALS (MEMORANDUM ONLY)	
ENTERPRISE SEPTEMBER 30	INTERNAL SERVICE SEPTEMBER 30	STATE AUTHORITIES-PROPRIETARY (NOTE 31)	TRUST AND AGENCY SEPTEMBER 30	GENERAL LONG-TERM OBLIGATIONS SEPTEMBER 30	1983	1982 (Restated)
$ -	$ 613	$ -	$ 5	$ -	$ 250,406	$ 480,545
320	611	-	80,096	-	277,165	207,152
90,750	42,713	13,634	145,981	-	1,288,193	1,058,690
-	-	-	-	-	682,200	686,200
85	159	402	1,135	-	83,746	123,736
-	-	96,805	-	-	96,805	104,131
-	-	77,889	25,406	-	103,295	57,801
-	-	-	-	-	12,945	12,735
969	16	11,895	-	-	44,775	52,156
-	-	72,756	-	-	72,756	62,265
92,126	44,114	273,381	252,625	-	2,912,290	2,845,414
-	-	-	3,326	-	3,326	5,444
-	-	-	-	-	31,104	30,932
146	-	-	-	-	25,000	22,688
-	-	2,808,323	-	1,118,611	3,926,934	3,139,764
-	-	(43,270)	-	-	(43,270)	(39,223)
-	4,509	22,228	4,079	298,455	331,125	283,383
92,273	48,624	3,060,662	260,030	1,417,066	7,186,511	6,288,404
18,883	33,961	156,410	-	-	209,254	178,029
-	-	-	-	-	261,357	159,819
-	-	-	8,310,689	-	8,310,689	7,122,800
-	-	-	-	-	546,327	347,613
-	-	-	1,212,436	-	706,518	297,773
18,883	33,961	156,410	9,523,125	-	10,034,148	8,106,036
$ 111,156	$ 82,585	$ 3,217,072	$ 9,783,156	$ 1,417,066	$17,220,659	$14,394,441

STATE OF MICHIGAN

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS

FISCAL YEARS ENDED 1983

(In Thousands)

	GOVERNMENTAL FUND TYPES		
	GENERAL SEPTEMBER 30	SPECIAL REVENUE SEPTEMBER 30	DEBT SERVICE SEPTEMBER 30
REVENUES			
Taxes	$ 5,509,952	$ 1,827,481	$ -
From federal agencies	2,383,155	386,890	-
From local agencies	133,301	7,187	13,956
From services	61,645	866	-
From licenses and permits	83,248	46,827	4,718
Miscellaneous	97,921	623,331	1,672
Total Revenues	8,269,224	2,892,584	20,348
EXPENDITURES			
Current:			
General government	429,081	344,530	-
Education	1,290,933	1,711,675	-
Health and welfare	3,770,789	-	-
Public safety and corrections	374,122	-	-
Conservation, recreation, and agriculture	181,266	4,318	-
Labor, commerce, and regulatory	303,657	140,664	-
Mental health	630,294	-	-
Transportation	-	667,677	-
State-local revenue sharing grants	595,097	-	-
Items not assigned to a function	64,370	-	-
Capital outlay	29,172	248,902	-
Debt service:			
Principal retirement	-	-	75,495
Interest and fiscal charges	-	-	35,140
Total Expenditures	7,668,786	3,117,768	110,635
Excess of Revenues over (under) Expenditures	600,437	(225,183)	(90,287)
OTHER FINANCING SOURCES (USES)			
Proceeds from bond issues	-	132,186	-
Operating transfers in	184,661	994,341	90,641
Operating transfers out	(456,370)	(772,930)	(4,599)
Provision for loss on amounts receivable from local units of government (Note 13)	(89,500)	-	-
Total Other Financing Sources (Uses)	(361,209)	353,598	86,041
Cumulative Effect of Accounting Change (Note 5)	-	(5,075)	-
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses after Accounting Change	239,228	123,339	(4,245)
Fund Balances (Deficit) - Beginning of fiscal year as previously reported	(635,982)	319,903	21,771
Effect of accounting changes (Note 5)	-	1,733	-
Fund Balances (Deficit) - Beginning of fiscal year - restated	(635,982)	321,637	21,771
Equity transfers to other funds (Note 8)	-	-	-
Fund Balances (Deficit) - End of Fiscal Year	$ (396,753)	$ 444,976	$ 17,526

The accompanying notes are an integral part of the financial statements.

GOVERNMENTAL FUND TYPES		FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
			FISCAL YEARS ENDED	
CAPITAL PROJECTS SEPTEMBER 30	STATE AUTHORITIES (NOTE 31)	EXPENDABLE TRUST SEPTEMBER 30	1983	1982 (Restated)
$ -	$ -	$ 35,227	$ 7,372,662	$ 6,371,191
3,359	-	84,534	2,857,940	2,733,608
-	-	14,390	168,836	145,071
-	174	1,363	64,048	60,612
-	4,374	-	139,168	132,651
2,248	21,988	315,491	1,062,654	994,321
5,607	26,536	451,008	11,665,310	10,437,458
-	428	78,982	853,022	882,095
-	75,775	19,072	3,097,456	2,751,765
-	-	-	3,770,790	3,591,335
-	-	-	374,122	362,670
-	-	-	185,585	174,667
-	-	78,452	522,775	437,731
-	-	5,571	635,865	633,117
2	2,620	84,119	754,418	766,418
-	-	-	595,097	525,124
-	-	-	64,370	8,238
4,993	4,255	-	287,323	400,361
-	13,989	-	89,484	82,850
-	33,490	-	68,630	43,544
4,995	130,557	266,199	11,298,942	10,659,920
612	(104,021)	184,809	366,367	(222,462)
-	245,473	-	377,659	98,621
-	28,571	7,832	1,306,047	1,546,935
(79)	(404)	(12,118)	(1,246,502)	(1,491,573)
-	-	-	(89,500)	-
(79)	273,640	(4,286)	347,704	153,982
-	-	-	(5,075)	-
532	169,619	180,522	708,997	(68,479)
19,380	-	1,033,646	758,720	1,478,515
-	46,486	(1,733)	46,486	(603,895)
19,380	46,486	1,031,913	805,206	874,620
-	-	-	-	(934)
$ 19,912	$ 216,105	$ 1,212,436	$ 1,514,204	$ 805,206

STATE OF MICHIGAN

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND ENCUMBRANCES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - (STATUTORY/BUDGETARY BASIS)

GENERAL AND SPECIAL REVENUE FUND TYPES (NOTE 4)

FISCAL YEAR ENDED SEPTEMBER 30, 1983

(In Thousands)

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes	$ -	$ 5,505,952	$ -
From federal agencies	-	2,383,524	-
From local agencies	-	135,303	-
From services	-	61,645	-
From licenses and permits	-	83,248	-
Miscellaneous	-	97,653	-
Total Revenues	-	8,267,328	-
EXPENDITURES AND ENCUMBRANCES			
Current:			
General government	476,947	432,426	44,521
Education	1,324,919	1,292,402	32,516
Health and welfare	3,874,671	3,793,324	81,346
Public safety and corrections	387,715	375,587	12,128
Conservation, recreation, and agriculture	193,860	183,902	9,958
Labor, commerce, and regulatory	346,291	334,626	11,665
Mental health	644,835	631,603	13,232
Transportation	-	-	-
State-local revenue sharing grants	595,097	595,097	-
Items not assigned to a function	-	64,370	(64,370)
Capital outlay	97,418	38,549	58,869
Total Expenditures and Encumbrances	7,941,758	7,741,890	199,867
Encumbrances at September 30	-	55,053	-
Total Expenditures	-	7,686,837	-
Excess of Revenues over (under) Expenditures	-	580,490	-
OTHER FINANCING SOURCES (USES)			
Proceeds from bond issues	-	-	-
Operating transfers in	-	184,661	-
Operating transfers out	(457,994)	(456,292)	1,702
Provision for loss on amounts receivable from local units of government (Note 13)	-	(89,500)	(89,500)
Total Other Financing Sources (Uses)	-	(361,130)	-
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	-	219,360	-
Fund Balances - October 1 - as previously reported	-	219,856	-
Effect of accounting change (Note 5)	-	-	-
Fund Balances - October 1 - restated	-	219,856	-
Fund Balances - September 30	$ -	$ 439,217	$ -

The accompanying notes are an integral part of the financial statements.

SPECIAL REVENUE FUNDS			TOTALS (MEMORANDUM ONLY)		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ -	$ 1,827,481	$ -	$ -	$ 7,333,434	$ -
-	385,248	-	-	2,768,773	-
-	7,187	-	-	142,491	-
-	866	-	-	62,511	-
-	46,827	-	-	130,075	-
-	623,599	-	-	721,253	-
-	2,891,210	-	-	11,158,538	-
355,396	345,061	10,335	832,344	777,487	54,856
1,711,683	1,711,675	7	3,036,602	3,004,077	32,524
-	-	-	3,874,671	3,793,324	81,346
-	-	-	387,715	375,587	12,128
255	10,855	(10,600)	194,116	194,758	(642)
141,595	141,422	172	487,886	476,048	11,838
-	-	-	644,835	631,603	13,232
773,880	713,409	60,471	773,880	713,409	60,471
-	-	-	595,097	595,097	-
-	-	-	-	64,370	(64,370)
493,497	404,124	89,372	590,915	442,673	148,241
3,476,307	3,326,548	149,759	11,418,066	11,068,439	349,627
-	208,810	-	-	263,863	-
-	3,117,737	-	-	10,804,575	-
-	(226,527)	-	-	353,963	-
-	132,186	-	-	132,186	-
-	994,341	-	-	1,179,003	-
(794,761)	(773,008)	21,753	(1,252,756)	(1,229,300)	23,456
-	-	-	-	(89,500)	(89,500)
-	353,519	-	-	(7,610)	-
-	126,992	-	-	346,352	-
-	322,887	-	-	542,744	-
-	1,733	-	-	1,733	-
-	324,621	-	-	544,478	-
$ -	$ 451,613	$ -	$ -	$ 890,830	$ -

STATE OF MICHIGAN

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS AND CONTRIBUTIONS/FUND BALANCES

PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS

FISCAL YEARS ENDED 1983

(In Thousands)

	PROPRIETARY FUND TYPES		
	ENTERPRISE SEPTEMBER 30	INTERNAL SERVICE SEPTEMBER 30	STATE AUTHORITIES (NOTE 31)
OPERATING REVENUES:			
Operating revenues	$ 410,989	$ 244,512	$ -
Contributions from members and employers	-	-	-
Interest income on loans	-	-	170,396
Investment revenue (net)	-	-	87,352
Miscellaneous operating income	-	-	14,061
Total Operating Revenues	410,989	244,512	271,809
OPERATING EXPENSES:			
Salaries, wages, and other administrative expenses (Note 5)	35,109	31,701	13,677
Interest expense	-	-	230,737
Depreciation	751	5,375	106
Purchases for resale	321,200	17,089	22
Purchases for manufacturing	-	4,333	-
Payment of premiums and claims	-	185,841	-
Benefits, insurance, and refunds	-	-	-
Other operating expenses	-	-	14,296
Total Operating Expenses	357,060	244,341	258,838
Operating Income (Loss)	53,928	170	12,971
NONOPERATING REVENUES (EXPENSES):			
Interest revenue (expense)	(43)	-	110
Mineral rights revenue	-	-	10,500
Specific tax on spirits	6,971	-	-
Gain (loss) on disposal of fixed assets	-	99	-
Sale of surplus and salvage items	-	41	-
Total Nonoperating Revenues (Expenses)	6,928	141	10,610
Income (Loss) Before Operating Transfers	60,857	312	23,581
OPERATING TRANSFERS:			
Operating transfers in	2,701	1,699	4,086
Operating transfers out	(62,439)	(1,468)	(1,086)
Total Operating Transfers In (Out)	(59,738)	231	3,000
Net Income (Loss) Before Accounting Change	1,118	543	26,581
Cumulative Effect of Accounting Change (Note 5)	(147)	(1,027)	-
Net Income (Loss) After Accounting Change	971	(483)	26,581
Retained Earnings and Contributions/Fund Balances - Beginning of Fiscal Year - as previously reported	17,912	30,288	-
Effect of accounting change (Note 5)	-	-	129,829
Retained Earnings and Contributions/Fund Balances - Beginning of Fiscal Year - restated	17,912	30,288	129,829
Contributed capital-fixed assets	-	4,157	-
Equity transfer from (to) other funds	-	-	-
Retained Earnings and Contributions/Fund Balances - End of Fiscal Year	$ 18,883	$ 33,961	$ 156,410

The accompanying notes are an integral part of the financial statements.

FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
	FISCAL YEARS ENDED	
RETIREMENT RELATED TRUST FUNDS SEPTEMBER 30	1983	1982 (Restated)
$ -	$ 655,501	$ 660,599
637,506	637,506	593,969
-	170,396	141,555
995,477	1,082,829	744,992
5,592	19,653	20,094
1,638,576	2,565,887	2,161,210
3,593	84,080	75,354
-	230,737	187,969
-	6,233	4,904
-	338,312	348,741
-	4,333	3,775
-	185,841	182,261
444,055	444,055	393,165
-	14,296	10,647
447,649	1,307,889	1,206,819
1,190,927	1,257,997	954,391
-	66	109
-	10,500	-
-	6,971	7,131
-	100	363
-	41	42
-	17,680	7,646
1,190,927	1,275,678	962,038
87	8,574	18,018
(3,126)	(68,120)	(73,381)
(3,039)	(59,546)	(55,362)
1,187,888	1,216,131	906,675
-	(1,175)	-
1,187,888	1,214,956	906,675
7,122,800	7,171,001	6,299,378
-	129,829	91,505
7,122,800	7,300,830	6,390,883
-	4,157	2,336
-	-	934
$ 8,310,689	$ 8,519,944	$ 7,300,830

STATE OF MICHIGAN

COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION

PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS

FISCAL YEARS ENDED 1983

(In Thousands)

	PROPRIETARY FUND TYPES		
	ENTERPRISE SEPTEMBER 30	INTERNAL SERVICE SEPTEMBER 30	STATE AUTHORITIES (NOTE 31)
SOURCES OF FUNDS:			
From Operations:			
Net income (loss)	$ 971	$ (483)	$ 26,581
Items not requiring (providing) working capital:			
Depreciation	751	5,375	106
Compensated absences - long-term portion	146	1,045	-
Disability claims - long-term portion	-	3,147	-
Provision for losses on mortgage loans	-	-	1,710
Amortization of deferred items	-	-	5,848
Loss (gain) on disposal of fixed assets	-	(99)	-
Contributed fixed assets included in operating transfers	(944)	-	-
Working Capital Provided (Used) from Operations	923	8,985	34,245
Proceeds from bonds and notes sold	-	-	588,984
Principal repayments on loans	-	-	83,939
Decrease in noncurrent investments (net)	-	-	-
Equity transfer from (to) other funds	-	-	-
Sale of fixed assets	1	1,620	-
Working Capital Provided (Used)	924	10,606	707,168
Contributed fixed assets	-	4,157	-
Capitalization of leases	-	594	-
Total Sources (Uses) of Funds	$ 924	$ 15,358	$ 707,168
APPLICATION OF FUNDS:			
Increase in noncurrent investments (net)	$ -	$ -	$ 118,524
New loans issued	-	-	278,213
Decrease in long-term bonds and notes payable	-	-	115,039
Increase in other noncurrent assets	-	4,457	3,363
Acquisition of fixed assets	774	9,965	449
Capitalization of fixed assets	-	4,157	-
Reduction in long-term lease obligation	-	278	-
Decrease in other long-term liabilities	-	-	1,256
Net increase (decrease) in working capital	150	(3,500)	190,324
Total Application of Funds	$ 924	$ 15,358	$ 707,168
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL:			
Cash and cash equivalents	$ 520	$ 38	$ 50,495
Equity in State Treasurer's Common Cash	1,799	10,569	-
Amounts due from other funds	(1)	(2,671)	(3,000)
Amounts due from federal governmental agencies	-	-	1,312
Amounts receivable from local units of government	-	(20)	-
Inventories	(2,084)	430	-
Investments	-	-	151,938
Other current assets	92	497	11,912
Warrants outstanding	(94)	(267)	-
Accounts payable and other accrued liabilities	(182)	(12,033)	(2,541)
Amounts due to other funds	4	(25)	121
Bonds and notes payable - current	-	-	7,326
Interest payable on bonds and notes	-	-	(20,088)
Deferred revenue	95	(16)	3,340
Escrow funds	-	-	(10,491)
Net Increase (Decrease) in Working Capital	$ 150	$ (3,500)	$ 190,324

The accompanying notes are an integral part of the financial statements.

FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
RETIREMENT RELATED TRUST FUNDS SEPTEMBER 30	FISCAL YEARS ENDED	
	1983	1982 (Restated)
$ 1,187,888	$ 1,214,956	$ 906,675
-	6,233	4,904
-	1,191	-
-	3,147	-
-	1,710	1,143
-	5,848	2,839
-	(99)	(363)
-	(944)	(1,051)
1,187,888	1,232,042	914,146
-	588,984	286,340
-	83,939	37,587
-	-	30,700
-	-	934
-	1,622	1,414
1,187,888	1,906,588	1,271,122
-	4,157	2,336
-	594	-
$ 1,187,888	$ 1,911,339	$ 1,273,458
$ 859,096	$ 977,620	$ 974,754
-	278,213	268,426
-	115,039	103,917
-	7,820	9,383
-	11,188	6,869
-	4,157	2,336
-	278	-
-	1,256	6,929
328,791	515,766	(99,156)
$ 1,187,888	$ 1,911,339	$ 1,273,458
$ (18)	$ 51,035	$ 9,166
(119,497)	(107,128)	(126,957)
(2,189)	(7,862)	(13,326)
-	1,312	(1,489)
12,161	12,140	7,037
-	(1,653)	2,603
487,707	639,645	53,327
(36,551)	(24,049)	64,026
(2,187)	(2,549)	4,169
(10,633)	(25,390)	(49,248)
-	100	(245)
-	7,326	(14,369)
-	(20,088)	(7,864)
-	3,419	(14,836)
-	(10,491)	(11,150)
$ 328,791	$ 515,766	$ (99,156)

STATE OF MICHIGAN

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 1983

NOTE 1 -- REPORTING ENTITY

In prior fiscal years, the State of Michigan reporting entity was defined generally as all State departments, agencies, and institutions whose monies were deposited with and disbursed by the State Treasurer. In 1983, in accordance with the National Council on Governmental Accounting (NCGA) Statement 3, a broader definition of the reporting entity was adopted; as a result, certain organizations are included in this financial report for the first time.

Except as discussed in the following paragraphs, these financial statements include the financial transactions of all government organizations for which the State (the oversight entity) has the ability to exercise significant oversight. The extent of oversight responsibility was evaluated, based upon several criteria including: selection of governing authority, designation of management, the ability of the State to significantly influence operations, and accountability for fiscal matters including the level of State financing and/or moral or legal responsibility for the long-term debt of the organizations.

The following organizations have been determined to meet the above criteria and, accordingly, have been incorporated as component units into the State of Michigan Annual Financial Report. The authorities have been categorized for financial reporting purposes as either governmental or proprietary, based on the predominant nature of their activities. Footnote disclosures for these authorities are presented separately, beginning with Note 31.

STATE AUTHORITIES

Governmental	Proprietary
State Building Authority	Michigan State Housing Development Authority
Mackinac Bridge Authority	Michigan State Hospital Finance Authority
Michigan Job Development Authority	Michigan Higher Education Student Loan Authority
Michigan Higher Education Facilities Authority	Michigan Economic Development Authority
Michigan Family Farm Development Authority	Mackinac Island State Park Commission

Two other organizations were determined to be a part of the State of Michigan reporting entity but have not been included in their entirety in the State of Michigan Annual Financial Report.

Michigan Employment Security Commission (MESC) - The Michigan Unemployment Compensation Fund (MUCF) of the MESC has not been included because audited financial statements prepared in accordance with generally accepted accounting principles are not available. Two other funds of the MESC are included. These are the Michigan Employment Security Act Administration Fund (a special revenue fund), and the Michigan Employment Security Act Contingency Fund (a trust fund). See Note 21 for additional disclosure regarding long-term liabilities of the MUCF.

Michigan Higher Education Assistance Authority (MHEAA) - The MHEAA has not been included in its entirety because audited financial statements prepared in accordance with generally accepted accounting principles are not available. As in prior years, a portion of the financial transactions of the MHEAA is included in a trust fund of the same title.

An additional organization, the Michigan State Accident Fund (MSAF), substantially meets the criteria for inclusion in the reporting entity. However, a final determination has not yet been made because of a pending court case, which is expected to result in clarification of the MSAF status as either a State agency or a private organization. Therefore, the MSAF has not been included, in its entirety, in this report. The State currently accounts for a portion of the MSAF within its own accounting system. This portion is included as a trust fund titled the Michigan State Accident Fund. A separately issued financial report is available upon request from the MSAF.

Institutions of higher education, circuit courts, district courts, and probate courts, except for amounts paid by the State for operating assistance and certain capital outlay activities, have not been included in these financial statements. Inclusion of these organizations is not required because the State does not have the ability to significantly influence the day-to-day activities of these organizations. Those amounts which are reflected in the financial statements are included within the General Fund and special revenue fund types.

Note 1 continued on next page.

As in prior years, the Michigan Supreme Court, the Michigan Court of Appeals, the Court of Claims, the 36th District Court, and the Wayne County Circuit Court have been included in the reporting entity. The financial transactions of these courts are included in the General Fund.

The State is also party to a joint venture entered into with the Canadian government for the operation of the International Bridge at Sault Ste. Marie, Michigan. The bridge operations are governed by a commission made up of five members, three from the State and two from the Canadian government. Refer to Note 38 for condensed financial information on the International Bridge Authority.

NOTE 2 -- BASIS OF ACCOUNTING

The accounting records of the State of Michigan are, for the most part, maintained in accordance with generally accepted accounting principles. Statement presentation conforms substantially to principles and standards established by Statement 1, "Governmental Accounting and Financial Reporting Principles," of the National Council on Governmental Accounting.

The financial statements contained in this report are prepared on the modified accrual basis for the General, Special Revenue, Debt Service, Capital Projects, State Authorities - Governmental, Trust (except retirement related trust funds), and Agency Funds. All other statements are prepared on the accrual basis. As explained in Note #4, budget and actual statements presented in the report are an exception to the preceding statements in that they are prepared on the budgetary basis of accounting. Refer to Note 31 for significant accounting policies of the State authorities.

Revenue and operating transfers are accrued prior to the receipt of cash if it is a material amount, measurable, available, and earned. Revenue may include certain amounts earned, including federal revenue which is recorded (except the Department of Transportation) at the time an encumbrance is entered into, but not received in cash until a subsequent period. Revenue is considered to be available if it is anticipated that it will be collected within 12 months after fiscal year-end.

In governmental funds, where the accounting emphasis is on financial position and changes in financial position, expenditures are used to measure the use of financial resources. In proprietary funds, where the accounting emphasis is on measuring net income, expenses are used to measure costs incurred. The most significant differences between expenditures and expenses are in the accounting for fixed assets and long-term liabilities.

Certain federal grant revenue and related expenditures are not on the modified accrual basis. In programs financed entirely by the federal government, expenditures and related revenues are recognized only to the extent of billings received by fiscal year end. This treatment is generally limited to State-local programs within the Department of Education. Reimbursements for expenditures made for federal programs are subject to audit. While the audits may result in a determination that the expenditures made were not within the applicable program guidelines and thus not allowable for reimbursement, no material disallowances are expected.

Since the basic principles underlying governmental accounting differ in many respects from those of commercial accounting, the following definitions endeavor to explain some of the terminology and principles of governmental accounting as applied in the State of Michigan.

Fund

In governmental accounting, a fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other assets together with all related liabilities and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

In Michigan, funds are established by constitutional provisions, legislative enactment, or in certain cases by administrative decision.

The General and Special Revenue Funds account for taxes, fees, proceeds of bond issues, and other revenues collected to support State governmental operations and services, local units of government, and schools. Enterprise Funds are established to account for the financing of self-supporting activities which render services on a user charge basis to the general public.

Note 2 continued on next page.

STATE OF MICHIGAN

NOTES TO FINANCIAL STATEMENTS (Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 1983

Fund (continued)

Financial transactions covering services and commodities furnished by designated State organizational entities to other State departments, branches, and units, or to other governmental units are accounted for in Internal Service Funds. Other funds account for servicing of State debt, the disposition of proceeds of bond issues for capital projects, accumulations of resources for the purposes of paying retirement and pension benefits, and the accountability of funds and resources held by the State as a trustee or agent.

Assets

Included are cash and receivables which are reasonably expected to be converted into cash or its equivalent in the natural course of events. Other assets might include certain advance payments, various types of inventories, and investments.

Fixed Assets

A General Fixed Assets Account Group is not maintained. Buildings and equipment are recorded in the proprietary funds, which include all Enterprise and Internal Service Funds, at their historical cost, except for certain contributed fixed assets of the Michigan State Fair Revolving Fund which were recorded at their appraised historical value. In addition, land is capitalized only in the Michigan State Fair Revolving Fund.

Depreciation

Buildings and equipment which are recorded as fixed assets in the Enterprise and Internal Service Funds are depreciated over their useful class lives under the straight-line method except for automotive equipment in the Motor Transport Revolving Fund which is depreciated under the 150% declining balance method.

Inventories

In all material areas, inventories are valued at cost and are recognized as expenditures/expenses under the consumption method. This method records expenditures/expenses as the inventories are used.

Investments

Investments are stated at cost (equity securities) or amortized cost (debt securities).

Lottery Revenues and Prizes

Revenues and prizes of the State Lottery are generally recognized as the drawings are held. Certain prizes are payable in deferred installments, which are recorded at the present value of the future payments discounted at a rate of 6%. This long-term obligation is recorded as a liability of the special revenue fund rather than in the long-term obligations group because the assets to liquidate the liability are recorded in the fund.

Deferred Revenue

Deferred revenue represents a liability which is recorded when cash, accounts receivable, or other assets have been received or recognized prior to their being earned or considered available.

Long-Term Liabilities

Long-term liabilities consist of debt and other obligations that are payable more than 12 months from the end of the fiscal year. Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Obligations Account Group, not in the governmental funds. Proprietary fund long-term liabilities are included on the fund's balance sheet.

Leases

Liabilities related to leases which should be capitalized have not been recorded, except for certain lease-purchased equipment in the proprietary funds.

Note 2 continued on next page.

Fund Balances

Fund balances represent the excess of assets of a fund over liabilities. This term is not applicable to the Enterprise or Internal Service Funds.

Reserved fund balances are those portions which must be segregated for some future use and which are, therefore, not available for further appropriation. Reserved amounts carry forward into the succeeding fiscal year for purposes indicated by the reservation. Unreserved fund balances are available for further appropriation. Fund balances in trust funds are used only for the purpose of the funds.

Revenue

Revenues are resource additions attributable to a designated fiscal year which affect the fund balances or retained earnings resulting from the operations of that year.

Revenue of the State of Michigan is classified according to the source from which it originates, as follows:

Taxes
Revenue from federal agencies
Revenue from local agencies
Revenue from services
Revenue from licenses and permits
Miscellaneous revenue
Revenue from operations of Enterprise and Internal Service Funds
Revenue from operations of Trust, Retirement, and Capital Projects Funds

Revenue is further classified within each source classification as to whether it is available to further the general purposes of the fund to which it is credited (general purpose revenue) or whether it is by law restricted to finance some specific activity or group of related activities (restricted revenue). Grants from federal governmental agencies usually fall within this latter classification. Such grants are given to the State in furtherance of some specific activity, such as old age assistance, aid to dependent children, etc., and may not be expended for any other purpose.

Operating Transfers

Transactions which take place between State funds which are not loans, revenue and expenditure/expense activity, nor residual equity transfers are classified separately as operating transfers.

Authorizations

These provide authority to make expenditures and incur obligations for designated purposes. Authorizations include appropriations, authorization carry-overs from previous years, restricted revenues, and budgetary transfers.

Appropriations

These are constitutional or legislative authorizations. An appropriation is not a mandate to spend.

Appropriations for operating costs are generally limited as to amount and time during which they are available. Under such an appropriation, State departments may spend or encumber only as much of the authorized amount as is necessary for efficient operations. Unless financed by restricted revenue, any part of an appropriation which is not expended or encumbered lapses at the end of the fiscal year or reverts to the fund from which it was appropriated. Restricted revenue does not lapse, but is reserved for the purpose intended by law.

Other appropriations are made to finance specific projects, rather than for a specified period of time. Appropriations for buildings, additions thereto, or for major improvements generally fall within this category as do other one-time nonrecurring projects. The unexpended balance of such an appropriation is carried forward from year to year until the project has been accomplished or terminates by law. The remaining authorization balance then reverts to the fund from which it was originally appropriated.

Note 2 continued on next page.

STATE OF MICHIGAN

NOTES TO FINANCIAL STATEMENTS (Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 1983

Highway and bridge construction projects are an exception to the normal appropriation process in that authorization is not by specific legislative appropriation. After approval by the State Administrative Board, they are financed from annual legislative appropriations with funds constitutionally designated for highway purposes.

Expenditures and Expenses

Expenditures are classified by function and according to their major characteristics which are as follows:

Current Operations
Capital Outlay
Debt Service

Current operations include operating costs, such as salaries, supplies, and contractual services, intergovernmental grants, and public assistance grants. Capital outlay includes the acquisition or construction of fixed assets and infrastructure, such as highways. Debt service includes both interest and principal outlays.

Expenses are classified by object, for example salaries, depreciation, and purchases for resale.

Encumbrances

Encumbrances are purchase orders and contracts or pledges which are chargeable to an appropriation and for which a part of the appropriation is reserved. Unliquidated encumbrances entered into before September 16 for non-capital outlay and October 1 for capital outlay are recorded as a reserved fund balance. Non-capital outlay encumbrances entered into after September 15 and not liquidated prior to October 1 must, by statute, be charged against appropriations of the succeeding fiscal year.

Totals (Memorandum Only)

The "Totals (Memorandum Only)" columns represent the aggregation of the individual combined financial statements. The totals column is presented for overview informational purposes and does not represent consolidated financial information.

NOTE 3 -- FUNDS BY CLASSIFICATION

General

Special Revenue
  Transportation related
    State Aeronautics Fund
    State Trunkline Fund
    Michigan Transportation Fund
    Comprehensive Transportation Fund
    Comprehensive Transportation Bond Construction Fund
    1983 State Trunkline Fund Bond Proceeds Fund

  Conservation and Recreation related
    Game and Fish Protection Fund
    Michigan State Waterways Fund
    Marine Safety Fund
    State Park Improvement Fund
    State Recreational Land Acquisition Trust Fund
    Water Pollution Control Bond Fund
    State Sewer Construction Fund
    Hazardous Waste Management Fund

  Other
    Counter-Cyclical Budget and Economic Stabilization Fund
    Michigan Employment Security Act--Administration Fund
    Michigan Veterans' Benefit (Trust) Fund
    School Aid Fund
    Motor Vehicle Accident Claims Fund
    State Campaign Fund
    Safety Education and Training Fund
    Vietnam Veteran Era Bonus Fund
    School Bond Loan Fund
    State Construction Code Fund
    Children's Trust Fund
    Michigan Justice Training Fund
    Construction Lien Recovery Fund
    State Lottery Fund

State Authorities - Governmental (See Note 1)

Note 3 continued on next page.

- Debt Service
  - Water Pollution Control Bond and Interest Redemption Fund
  - Public Recreation Bond and Interest Redemption Fund
  - Vietnam Veteran Era Bonus Bond Redemption Fund
  - Comprehensive Transportation Bond and Interest Redemption Fund
  - 1983 State Trunkline Fund Bond and Interest Redemption Fund
  - Michigan Trunkline Bond and Interest Redemption Fund Series II thru IX
  - School Loan Bond Redemption Fund
  - Expressway Bond and Interest Redemption Fund
  - State Park Revenue Bond Fund

- Capital Projects
  - Public Recreation Bond Fund
  - 1960 Grand Rapids X-Way Construction Fund
  - Detroit X-Way Construction Fund

- Enterprise
  - Liquor Purchase Revolving Fund
  - Michigan State Fair Revolving Fund
  - Department of Natural Resources Magazine Fund

- Internal Service
  - Correctional Industries Revolving Fund
  - Federal Surplus Revolving Fund
  - Central Drug Repackaging Revolving Fund
  - Motor Transport Revolving Fund
  - Office Services Revolving Fund
  - State Sponsored Group Insurance Fund

- State Authorities - Proprietary (See Note 1)

- Trust
  - Retirement Related
    - Legislative Retirement Fund
    - State Police Pension, Accident, and Disability Fund
    - State Employees' Retirement Fund
    - Public School Employees' Retirement Fund
    - Probate Judges' Retirement Fund
    - Judges' Retirement Fund
  - Other
    - State Office Buildings Bond Redemption Fund
    - Michigan Employment Security Act Contingency Fund
    - Hospital Patients' Benefit Fund
    - Special Federal Bridge Replacement Fund
    - Michigan State Accident Fund (See Note 1)
    - State Employees' Health Maintenance Fund
    - Children's Institute Trust Fund
    - Federal County Road Fund
    - Gifts, Bequests, and Deposits Investment Fund
    - Silicosis, Dust Disease, and Logging Industry Compensation Fund
    - Federal Urban Transportation System Fund
    - Agricultural College Fund - Morrill Act
    - Michigan Higher Education Assistance Authority Fund (See Note 1)
    - Second Injury Fund
    - Municipal Employees' Retirement Fund
    - Highway Topics and Safety Program Fund
    - Hospital Patients' Trust Fund
    - Federal Housing Administration Mortgages Escrow Fund
    - Self-Insurers' Security Fund
    - State Employees' Deferred Compensation Fund
    - Special Assessment Deferment Fund
    - Urban Land Assembly Loan Fund
    - Utility Consumer Representation Fund
    - U.S. Truck Co., Inc. Workers' Compensation Trust Fund

- Agency
  - Receipts Clearing Fund
  - Metropolitan Planning Fund
  - Escheats Fund
  - Contribution Fund (Social Security)
  - Airport Authorities Facilities Improvement Trust Fund
  - School Emergency Loan Revolving Fund
  - Hazardous and Solid Waste Disposal Facilities Closure Guarantee Fund
  - Heritage Trust Fund

NOTE 4 -- BUDGETING AND BUDGETARY CONTROL

Budget

The State's annual budget is considered an executive budget, that is, the Governor recommends spending limits to the Legislature, and is enacted by the latter principally on the modified accrual basis, but does not conform in some respects to generally accepted accounting principles. Generally, the use of encumbrances, the cash basis treatment for sick, annual, and longevity payments, and the cash basis recording of medicaid payments are the primary differences from modified accrual in preparing spending budgets. Revenue estimates are on the modified accrual basis with the exception of tax refunds (associated with the personal income tax return) which are budgeted on the cash basis.

Note 4 continued on next page.

STATE OF MICHIGAN

NOTES TO FINANCIAL STATEMENTS (Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 1983

Control of the spending limits established by appropriations is on a line item basis which for the most part corresponds to the major object code classifications.

Article V of the State Constitution mandates the Governor to recommend spending limits per operating fund to the Legislature that are within available resources, and to recommend spending reductions to the Legislature when it appears that revenue will fall below the estimates on which the appropriations are based. Article IV of the State Constitution mandates the Legislature to enact appropriations for a fund that do not exceed that fund's revenue estimates.

Budget to Actual Statement

The amended annual budget for the General and Special Revenue funds is presented in the "Combined Statement of Revenues, Expenditures and Encumbrances, and Changes in Fund Balances - Budget and Actual - (Statutory/Budgetary Basis) General and Special Revenue Fund Types." This statement is prepared on a legal basis and is not in conformance with generally accepted accounting principles as are the other statements in this report. The column titled "Budget" for expenditures and encumbrances consists of legislative appropriations, restricted revenue authorization, carry-overs/carry-backs, and approved authorization transfers.

Revenue budgets are not presented in the combined budgetary statement since legislative revenue estimates were not provided for several funds and certain types of restricted revenues. Also, the Legislature does not formally update its revenue estimates.

Budgetary Overdrafts

Overexpenditures or overencumbrances for the General and Special Revenue funds for the fiscal year ended September 30, 1983 are summarized (expressed in thousands) as follows:

General Fund	
Judicial	$ 584
Management and Budget	3
Treasury	2,353
Education	246
Public Health	165
Mental Health	14,199
Social Services	27,704
Labor	1,065
Natural Resources	842
Items not assigned to a function	64,370
General Fund Total	$111,537
Special Revenue Funds	
Aeronautics Fund	156
State Trunkline Fund	3,574
Marine Safety Fund	10
Water Pollution Control Bond Fund	10,617
School Aid Fund	69
State Construction Code Fund	26
Special Revenue Funds Total	$ 14,454

All budgetary overdrafts, above, are summarized totals and resulted from agencies exceeding individual line item authorizations except for the "items not assigned to a function" in the General Fund and the total in the Water Pollution Control Bond Fund. In the General Fund's "items not assigned to a function," the overdrafts were caused by unbudgeted transactions of differing natures. $48.5 million represents the recognition of a refund liability to financial institutions for certain Single Business Tax revenues received prior to the 1982-83 fiscal year. See Note #22 for additional information. $15.9 million resulted from write-offs of disputed claims against Wayne County which had been recorded in previous years. See Note #13 for information regarding the write-off. In the Water Pollution Control Bond Fund expenditures and encumbrances exceeded the total 1982-83 fund authorization and the balance sheet reflects an unreserved fund deficit of $17.4 million. Additional bonds, authorized by P.A. 76 of 1968, are planned to be sold to eliminate the deficit.

Note 4 continued on next page.

Not included in the preceding table is an additional $89.5 million which has been recorded in a "provision for loss on amounts receivable from local units of government." Since this provision was not anticipated in the State's budgetary process, it is presented as an unfavorable variance in the "Combined Statement of Revenues, Expenditures and Encumbrances, and Changes in Fund Balances - Budget and Actual - (Statutory/Budgetary Basis) General and Special Revenue Fund Types." The related receivable is fully offset by an allowance in the General Fund balance sheet as more fully described in Note 13.

Constitutional Provisions Which Limit State Taxing and Spending

Article IX of the State Constitution imposes restrictions on State taxing and spending:

Revenue Limit - Section 26 imposes a tax ceiling based upon a formula which considers State revenues as a proportion of personal income. State revenues for 1982-83 were below the ceiling.

Spending Requirement - Section 30 requires that the proportion of total State spending which is paid to or on behalf of local units of government be maintained at a level which does not fall below the "base" 1978-79 fiscal year rate (41.61%). State spending to local units during 1981-82 amounted to 41.34% of total State spending resulting in a deficiency of $19.4 million. Preliminary estimates indicate a 1982-83 shortfall of $58.5 million. This estimate is based upon unaudited financial data and assumes passage of amendatory legislation that would clarify the status of certain Department of Mental Health program expenditures with respect to Section 30. The State's Attorney General has ruled that such deficiencies are payable in the fiscal year following the year that they are determined. Therefore, the 1981-82 shortage, determined in 1982-83, has not been accrued as a liability in these financial statements and it will need to be addressed in the 1983-84 budget process. If final calculations result in a deficiency for 1982-83, such deficiency would be addressed in the 1984-85 budget process.

Statutory/Budgetary Basis vs. G.A.A.P.

Following is a reconciliation (expressed in thousands) between Statutory/Budgetary unreserved fund balances and those balances as reported in accordance with generally accepted accounting principles (G.A.A.P.):

	General Fund	Special Revenue Funds
Statutory/Budgetary Unreserved Fund Balance at September 30, 1983	$ 19,687	$ 48,532
Accrual of Income Tax Refund Liabilities	(682,200)	-
Accrual of Medicaid Expenditures, Net of Related Revenues	(138,176)	-
Accrual of Compensated Absences, Net of Related Revenues	(18,846)	(3,385)
Reservation of Fund Balance for Working Capital Reserve	169,075	-
Reservation of Fund Balance for State Accounting and Fiscal Responsibility Reserve	61,056	-
Operating Transfer from the Budget Stabilization Fund	3,252	(3,252)
Encumbrances Not Recognized Under G.A.A.P.	-	3,297
G.A.A.P. Unreserved Fund Balance (Deficit) at September 30, 1983	$ (586,150)	$ 45,192

The following reservations of fund balance are made under the Statutory/Budgetary basis. Corresponding reservations are not made under the G.A.A.P. basis since the accruals, which they are to finance, have been recorded on the G.A.A.P. based statements.

Working Capital Reserve

Public Act 73 of 1982 increased the cigarette tax with the proceeds of the increase to be credited to a working capital reserve in the General Fund. The reserve is to continue until it reaches an amount that equals the personal income tax refund liability. When this equilibrium is achieved the reserve is to be eliminated as an offset to the recording of the income tax liability.

Note 4 continued on next page.

State Accounting and Fiscal Responsibility Reserve

P.A. 14 of 1983 created the state accounting and fiscal responsibility reserve (S.A.F.R.) in the General Fund to record collections from a .25% portion of the State's personal income tax rate. This reserve provides for the eventual accrual, from cash collections, of all medicaid and utility cost settlement expenditures heretofore recorded on a cash basis. During the fiscal year, $48.1 million of the reserve was utilized to accrue general assistance medical and utility cost settlements. At September 30, 1983, $24.7 million of cash collections and $36.3 million from accruals remain in the reserve.

NOTE 5 -- ACCOUNTING CHANGES

Definition of Reporting Entity

In 1983 the State of Michigan's reporting entity has been redefined pursuant to NCGA Statement 3, resulting in the inclusion of several organizations in these financial statements for the first time. See Note 1 and Notes 31 through 39.

Compensation Related Accruals

For the first time, a liability of $5.1 million was recorded in the special revenue funds (except for Statutory/Budgetary statements) for the current portion of estimated annual, sick, and longevity payouts. Because they are considered to be immaterial, the corresponding amounts that may have been susceptible to accrual at September 30, 1982, have not been determined and prior year amounts have not been restated.

In proprietary type funds for which the information was available, a liability for estimated annual, sick, and longevity payouts was also recorded for the first time. Such accruals were $0.2 million for the current portion and $1.2 million for the long-term portion. Because they are considered to be immaterial, the corresponding amounts that may have been susceptible to accrual at September 30, 1982, have not been determined and prior year amounts have not been restated.

The above changes are in conformance with generally accepted accounting principles but are inconsistent with previous fiscal years.

Refer to Note 18 for descriptions of annual, sick, and longevity benefits.

Fund Reclassifications

The Construction Lien Recovery Fund was reclassified from the trust fund class to the special revenue fund class. The September 30, 1982 fund balance of $1.7 million was moved from the trust fund class to special revenue in a restatement of the financial statements. This change was made pursuant to Attorney General Opinion 6119 and is in conformance with generally accepted accounting principles although it is inconsistent with the previous fiscal year.

Inpatient Care and Alternative Program Recoveries

For the first time, recoveries from counties related to the Department of Mental Health inpatient care and alternative program were recorded as expenditure reductions rather than local revenue in the amount of $198.9 million. Also, related payables and receivables were netted by reducing those balances by $40.7 million. The corresponding amounts of $188.0 million and $65.9 million, respectively, for the prior year have been restated.

The above changes are in conformance with generally accepted accounting principles but are inconsistent with previous fiscal years.

Accounting for Interfund Reimbursements of Operating Costs

In previous years, when direct operating costs of proprietary type funds were appropriated for within the General Fund, they were usually reported as General Fund expenditures with operating transfers to show funding provided by proprietary funds. This year, such transactions were reported as interfund reimbursements in order to improve expense and expenditure measurement in the other funds. As discussed in Note 31, the interfund reimbursement method was also used in

Note 5 continued on next page.

implementing the change in the State's reporting entity. The overall effect of these changes on the General Fund was to reduce expenditures, revenues, and operating transfers in. The cumulative amount of these changes has not been determined, but prior year figures have been restated. These changes (in classification of interfund transactions) are in accordance with generally accepted accounting principles, but are inconsistent with previous fiscal years.

Restatement of Fund Balances/Retained Earnings

The "Effect of Accounting Changes" ($603.8 million decrease) in the 1982 memorandum column of the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances reflects the restatement of the October 1, 1981 fund balances for the accrual of liabilities related to tax refunds ($556.8 million) and the medicaid program ($79.5 million) recorded in fiscal year 1981-82. It also includes the effect of restatement for the change in the State's reporting entity adopted this year ($32.4 million increase).

The "Effect of Accounting Change" ($91.5 million) in the 1982 memorandum column of the Combined Statement of Revenues, Expenses, and Changes in Retained Earnings and Contributions/Fund Balances reflects the restatement of retained earnings for the effect of the change in the State's reporting entity.

NOTE 6 -- PERSONAL INCOME TAX RATE

Public Act 15 of 1983 modified the state income tax rate from a predetermined annual percentage to a percentage based upon other variable factors. An increase in the sales tax rate, a reduction in the unemployment rate, and the elimination of certain departures from generally accepted accounting principles on the budgetary basis comprise the variable factors. In effect, the possible annualized income tax range of rates for calendar years 1983 through 1987 are as follows:

Calendar Year	Income Tax Range
1983	4.6 - 6.35%
1984	4.6 - 6.10%
1985	4.6 - 5.35%
1986	4.6 - 5.28%
1987	4.6 - 5.10%

The actual annualized tax rate for calendar year 1983 was 6.35 percent, compared to 5.10 percent in 1982. This increase is estimated to have generated $777.9 million during fiscal year 1982-83 as compared to what would have been generated at the 4.6 percent rate. As of the preparation date of these statements, the tax rate in effect for 1984 is 6.1 percent.

NOTE 7 -- MICHIGAN INDIVIDUAL INCOME TAX RETURN CREDITS

The Michigan Income Tax Act allows for tax credits which are applied against the computed individual income tax amount. Any of the property tax, farmland preservation or solar energy, and home heating credits may exceed an individual's tax liability and generate a payment to the individual. Calendar year 1983 estimates and 1982 actual tax return credits are presented in the following table (in millions) to reflect the magnitude of these tax return credits on the State's budget process. (October through September tax credit information is not available.)

	CALENDAR YEAR	
	1983 Estimate	1982 Actual
City income tax	$ 27.0	$26.2
College contribution	10.6	9.4
Income taxes paid to other states	4.5	4.3
Property tax:		
Senior citizens and low income rent	222.3	225.7
Veteran or blind	8.1	8.5
Paraplegic, quadriplegic, or totally disabled	9.0	8.8
Homestead	324.1	359.8
Farmland preservation or solar energy	65.0	53.6
Home heating (net of federally funded credits)	16.3	3.2
	$686.9	$699.5

Note 7 continued on next page.

Individual income tax credits are accounted for as a reduction of income tax revenue, similar to withholding refunds. As discussed in Note 4, these credits are accounted for on the modified accrual basis in the G.A.A.P. based financial statements and on the cash basis in the Statutory/ Budgetary financial statements. The following table shows the estimated tax credit liability established at September 30, 1983 and September 30, 1982 actual tax credit data (in millions).

	SEPTEMBER 30	
	1983 Estimate	1982 Actual
City income tax	$ 15.5	$16.3
College contribution	5.6	5.2
Income taxes paid to other states	2.4	2.4
Property tax:		
Senior citizens and low income rent	153.9	163.0
Veteran or blind	5.3	5.7
Paraplegic, quadriplegic, or totally disabled	6.2	6.5
Homestead	219.1	254.5
Farmland preservation or solar energy	45.7	39.7
Home heating (net of federally funded credits)	11.5	2.4
	$465.2	$495.7

NOTE 8 -- EQUITY TRANSFERS FROM OTHER FUNDS

Special Revenue Funds

P.A. 215 of 1972 requires the unencumbered balance in the State Sewer Construction Fund to be transferred to the Water Pollution Bond Fund. There were transfers of $1.6 million during 1981-82.

Internal Service and Expendable Trust Funds

The $934 thousand fund balance of the State Employees Dental Coverage Fund at October 1, 1981 was transferred to the internal service fund entitled "State Sponsored Group Insurance Fund" which was established at that time. The new fund reports the results of operations for the State's various employer sponsored insurance programs.

NOTE 9 -- ADVANCES FROM THE MICHIGAN VETERANS' BENEFIT (TRUST) FUND

The Michigan Veterans' Benefit (Trust) Fund, a special revenue fund, has made long-term advances to the General Fund totaling $49.8 million. These advances were made in accordance with Public Act 119 of 1976 and Public Act 364 of 1980. The acts include provisions for annual repayments and reimbursement of lost interest. Through September 30, 1983, $10.6 million of the advances had been repaid, including $4.4 million in 1982-83. The balance of the advances ($39.2 million) is not recorded as an asset of the special revenue fund or a liability of the General Fund because of its long-term and budgetary nature.

NOTE 10 -- TRANSFER FROM ESCHEATS FUND

The Escheats Fund provides for an accounting of property, tangible or intangible, which becomes subject to escheat when the owner dies intestate; disappears, or is missing from his last known place of residence for a continuous period of seven years or more, leaving no known heirs-at-law or abandons property for a period of seven years. During 1982-83, $20 million was transferred, prior to escheat, to the General Fund from the Escheats Fund per P.A. 96 of 1983. However, this transfer did not restrict, impair, or abrogate the right of redemption provided by the escheat laws. Such future claims are anticipated to be made from the Escheats Fund's remaining balance. Additional transfers to the General Fund are intended to be curtailed until escheated property, within the Escheats Fund, exceeds the authorized $20 million General Fund transfer. The next General Fund transfer is expected to be made during 1984-85.

NOTE 11 -- STATE TREASURER'S COMMON CASH

The Treasurer manages the cash resources of the State so that the excess over current requirements is invested to earn income. Cash is placed in banks on both demand and time deposits. Investments are made in short-term U.S. Government securities and prime commercial paper. P.A. 105 of 1855, as amended, which regulates the disposition of common cash surplus funds, permitted the Treasurer to invest in a loan to the Chrysler Corporation; stated as mortgages in the following table. The terms of this loan were renegotiated in 1984. The renegotiated terms shorten the term of the loan by six years, reduce the interest rate from 15.5 to 11.0 percent, and require annual principal repayments of $25 million through 1989. This loan is secured by a first mortgage on certain land and buildings and by a first security interest in certain equipment. This act also allows the Treasurer to purchase municipal bonds from financially troubled municipalities.

Law or administrative policies determines whether individual funds are eligible to receive (or required to pay) interest on their common cash balances. A fund may have a net negative average daily balance and be required to pay interest. Allocations of earnings are made quarterly, based upon the average daily balances of the various funds and the common cash investment earnings rate. Interest calculations are based upon Department of Treasury records. The individual cash balances reported in these statements may differ from those reported by the Department of Treasury due to retroactive interfund transfers recorded for accounting and reporting purposes.

Assets of the common cash pool are not segregated by fund. Instead, the receipts of each fund are credited to that fund's equity in the pool. Disbursements are recorded as reductions to the equities of the appropriate State funds.

Imprest cash represents the aggregate of cash advanced to departments and agencies as approved by the State Administrative Board. Such advances are not charged against appropriation accounts, but remain at the agencies' disposal for certain disbursements. The following schedule of assets and equities (in thousands) is a summary of the State Treasurer's Common Cash as of September 30.

ASSETS	1983	1982
Cash on hand	$ 138	$ 145
Cash in banks -- demand deposits	63,843	59,190
Cash in banks -- time deposits	100	100
Short-term investments -- at cost	553,218	360,108
Municipal bonds -- at cost	6,700	4,200
Mortgages -- at cost	150,000	150,000
	$ 774,000	$ 573,745
EQUITIES		
Equities of other funds -- net of liability to State Treasurer's Common Cash	$ 757,747	$ 562,566
Agency and department imprest cash accounts and other items	16,253	11,178
	$ 774,000	$ 573,745
The market value of short-term investments at September 30 was:		
U.S. Government short-term securities	$ 4,106	$ 31,827
Prime commercial paper	549,349	329,187
	$ 553,456	$ 361,014

NOTE 12 -- TAXES RECEIVABLE

In general, taxes receivable represent amounts due to the State at September 30, 1983, that were received by the State within 90 days. Taxes receivable (amounts expressed in thousands), as of September 30, 1983, consisted of the following:

	FUND TYPES			
	General	Special Revenue	Trust	Total
Sales & Use Taxes....................	$ 164,648	$115,229	$ -	$ 279,877
Individual Income Taxes..............	589,022	-	-	589,022
Single Business Taxes................	346,659	-	-	346,659
Telephone & Telegraph Taxes..........	55,113	-	-	55,113
Motor Fuel Taxes.....................	-	50,921	-	50,921
Cigarette Taxes......................	21,986	2,205	-	24,191
Other Taxes..........................	24,167	-	5,113	29,280
Gross Taxes Receivable..........	1,201,597	168,356	5,113	1,375,067
Less allowance for uncollectible taxes............................	(195,391)	(32,836)	-	(228,228)
Less revenue expected to be received more than 12 months after year end.	(17,827)	(2,743)	-	(20,571)
Net Taxes Receivable............	$ 988,378	$132,776	$5,113	$1,126,268

Included in the individual income taxes amount is the accrual of $255.8 million related to the State's retroactive income tax increase. Of this $255.8 million, an estimated $207.5 million was collected from October 1983 to January 1984, due to an accelerated withholding rate. In addition, $38.6 million will be reflected in lower refunds in 1983-84 and $9.7 million will be collected through annual payments in 1983-84.

The reductions from gross taxes receivable are primarily associated with sales & use taxes, $99.2 million; individual income taxes, $67.3 million; and single business taxes, $66.6 million.

NOTE 13 -- AMOUNTS RECEIVABLE FROM LOCAL UNITS OF GOVERNMENT

Included in the General Fund's "Amounts receivable from local units of government" is an $89.5 million receivable from Wayne County. Under terms of a post year-end agreement which covers services through February 29, 1984, Wayne County and the State have agreed to a long-term repayment schedule for debt owed to the State by Wayne County for three social service and mental health related programs operated by the State. A gross receivable of $105.4 million as of September 30, 1983, was adjusted to $89.5 million for a number of reasons, including disputes over amounts billed. That balance is scheduled to be repaid in 10 yearly July 1 installments. The payments due on July 1, 1984-88 will be in the amount of $8.55 million and on July 1, 1989-93 in amounts of $9.35 million.

If Wayne County's expenditures for specified programs exceed $3.95 million in any county fiscal year beginning on or after December 1, 1983-1989, the excess amount up to $8.55 million in 1983-84 thru 1985-86, $7.0 million in 1986-87 or 1987-88, and $6.0 million in 1988-89 may be used to offset the scheduled debt repayment. This agreement provision may result in the cancellation of up to $45.65 million of the $89.5 million debt.

An "allowance for loss" on amounts receivable from local units of government has been established for $89.5 million by a charge to "provision for loss on amounts receivable from local units of government" as reflected on the "Statement of Revenues, Expenditures, and Changes in Fund Balances."

Also included in "amounts receivable from local units of government" but not covered by this agreement is $4.5 million due from Wayne County under the Department of Mental Health's community placement program, an amount recorded as deferred revenue.

NOTE 14 -- OUTSTANDING LOANS TO SCHOOL DISTRICTS - SCHOOL LOAN BOND REDEMPTION FUND

Because there are no specific requirements for repayment, the School Loan Bond Redemption Fund balance sheet does not include $80.7 million of loans made by the State to local school districts and $27.9 million of interest due on these loans. In accordance with Public Act 66 of the Second Extra Session of 1963, repayments from school districts are to be used first to pay interest due and redeem bonds that mature within twelve months from the repayment date. Repayments in excess of these requirements will be available for additional loans to school districts through the School Bond Loan Fund.

NOTE 15 -- INVESTMENTS

The following table lists face value or original cost, unamortized premium or discount (net), amortized cost, and market value (in millions) of investments held by the listed fund or fund group at September 30, 1983:

	FACE VALUE OR ORIGINAL COST	UNAMORTIZED DISCOUNT	AMORTIZED COST	MARKET VALUE
Special Revenue				
State Lottery Fund - Long-Term	$ 50.2	$ -	$ 50.2	$ 38.9
Total Special Revenue	50.2	-	50.2	38.9
Debt Service				
Expressway Bond and Interest Redemption Fund - Current	5.8	-	5.8	6.7
State Park Revenue Bond Fund:				
Current	2.9	-	2.9	2.9
Long-Term	.5	-	.5	.5
Total Debt Service	9.2	-	9.2	10.1
Capital Projects				
Detroit Expressway Construction Fund - Current	17.3	-	17.3	17.7
Total Capital Projects	17.3	-	17.3	17.7
Trust and Agency				
Legislative Retirement Fund - Long-Term	25.1	(1.4)	23.7	21.5
State Police Pension, Accident, and Disability Fund:				
Current	10.8	-	10.8	10.8
Long-Term	173.9	(9.4)	164.5	169.5
State Employees' Retirement Fund:				
Current	108.0	-	108.0	108.2
Long-Term	1,760.0	(113.6)	1,646.4	1,672.8
Public School Employees' Retirement Fund:				
Current	365.6	-	365.6	366.3
Long-Term	5,996.0	(407.8)	5,588.2	5,648.4
Probate Judges' Retirement Fund:				
Current	.6	-	.6	.6
Long-Term	8.4	(.2)	8.2	8.5
Judges' Retirement Fund:				
Current	2.8	-	2.8	2.8
Long-Term	43.3	(2.0)	41.3	42.0
Other Trust Funds:				
Current	56.4	-	56.4	57.0
Long-Term	989.3	(7.5)	981.8	1,026.2
Total Trust and Agency - Current	544.2	-	544.2	545.7
Total Trust and Agency - Long-Term	8,996.0	(541.9)	8,454.1	8,588.9
Total Trust and Agency	9,540.2	(541.9)	8,998.3	9,134.6
Total All Funds:				
Current	570.2	-	570.2	573.0
Long-Term	9,046.7	(541.9)	8,504.8	8,628.3
	$ 9,616.9	$ (541.9)	$9,075.0	$9,201.3

NOTE 16 -- EXCESS RIGHT-OF-WAY PROPERTY

The value of excess Department of Transportation right-of-way property at September 30, 1983 is shown (in thousands) in the following table. Reported value is based on actual cost, except for some parcels acquired prior to 1960 which are valued at one dollar, since cost records were unavailable. Proceeds from the sale of such property will be credited to revenue when received.

Special Revenue	
State Trunkline Fund	$12,212
Capital Projects	
Detroit Expressway Construction Fund	150
Trust Funds	3

NOTE 17 -- RETIREMENT BENEFITS

The retirement benefits footnote is divided into distinct segments. The first two segments discuss actuarial liabilities and contributions; first, of the Public School Employees' Retirement Fund and the State Employees' Retirement Fund; and, second, of the remaining retirement funds. The third segment of the footnote discusses the statutory funding of all of the retirement funds.

Generally accepted accounting principles that govern retirement funds reporting and disclosures in the public sector are currently in a state of change. The Financial Accounting Standards Board (FASB) has issued Statement of Financial Accounting Standards (SFAS) 35 and the National Council on Governmental Accounting (NCGA) has issued Statement 6. Both of these statements provide authoritative guidance on pension accounting and financial reporting for defined benefit public employee retirement systems, and State and local government employer entities. The effective dates of these statements have been extended indefinitely to allow NCGA and FASB to reconcile certain material differences. As a result, there are two disclosure options available to governmental units. The State of Michigan has decided to present required disclosures for the Public School Employees' Retirement Fund and the State Employees' Retirement Fund in accordance with NCGA Statement 6. Disclosures for the remaining retirement funds are presented in accordance with SFAS 35.

State Employees' Retirement Fund and Public School Employees' Retirement Fund - Information on Actuarial Liabilities and Contributions

The actuarial liabilities of the State Employees' Retirement Fund and the Public School Employees' Retirement Fund are reported for the first time under the NCGA Statement 6 standards. Statement 6 requires that actuarial liabilities be calculated using the credited projected benefits actuarial method. Actuarial liabilities were previously calculated as the actuarial present value of accumulated plan benefits in accordance with FASB Statement 35.

The actuarial information on these funds is presented as of September 30, 1983. In previous years, the most current information was at the beginning of the year.

The effect of these changes on the actuarial liabilities of these retirement funds are (in millions by fiscal year):

	State Employees' Retirement Fund			Public School Employees' Retirement Fund		
	9/30/83	9/30/82	9/30/81	9/30/83	9/30/82	9/30/81
Actuarial Present Value of Credited Projected Benefits (NCGA 6)	$2,014.6	$1,814.9	$1,675.6	$7,506.0	$6,938.6	$6,505.3
Actuarial Present Value of Accumulated Plan Benefits (FASB 35)	1,152.3	972.6	837.1	4,392.7	3,597.5	3,261.6
Increase in Actuarial Liabilities	$ 862.3	$ 842.3	$ 838.5	$3,113.3	$3,341.1	$3,244.7

Note 17 continued on next page.

The significant assumptions used in the actuarial valuations of the State Employees' Retirement Fund and the Public School Employees' Retirement Fund as of September 30, 1983, and September 30, 1982, were: (1) a rate of return on the investment of present and future assets of 8% per year compounded annually; (2) projected salary increases of 6.5% per year compounded annually, attributable to inflation; (3) additional projected salary increases of 0.1% to 3.5% per year attributable to seniority and merit for the State Employees' Retirement Fund and 0.2% to 5.8% for the Public School Employees' Retirement Fund; (4) pre- and post-retirement life expectancies of participants based upon the 1971 Group Annuity Mortality Table; and (5) rates of nondeath withdrawal from active service before retirement, rates of disability, and expected retirement ages.

In the actuarial computation of the Public School Employees' Retirement System and State Employees' Retirement System required employer contribution amount according to Opinion 8 of the Accounting Principles Board, the minimum contributions are computed as the sum of 1) normal cost (entry-age normal cost method) plus 2) interest on the unfunded actuarial accrued liabilities (on a level-percentage-of-payroll basis). These calculations are based on the valuation assumptions described in the preceding paragraph.

The amounts paid into the Public School Employees' Retirement Fund were sufficient to cover current service as well as to amortize prior service costs in accordance with generally accepted accounting principles as set forth in NCGA Statement 6. The contribution rate for the Public School Employees' Retirement Fund was equivalent to 11.41% of the annual active member payroll. The amounts paid into the State Employees' Retirement Fund were insufficient to cover current service and amortize prior service costs in accordance with generally accepted accounting principles as set forth in NCGA Statement 6. The contribution rate of 8.33% of the annual active member payroll brought about a deficiency in contributions of $11.7 million. To have been properly funded, the contribution rate should have been equivalent to 9.21% of the annual active member payroll. The $11.7 million deficiency has not been recognized as a liability in the accompanying financial statements.

The next table provides information on the State Employees' Retirement Fund reported under NCGA 6. The majority of the contributions, which are reported less health insurance premiums, were provided by the General Fund and the Special Revenue Funds. All figures are in millions.

	September 30, 1983		September 30, 1982	
	Dollar Amount	% of Annual Active Member Payroll	Dollar Amount	% of Annual Active Member Payroll
Actuarial present value of projected benefits payable to:				
Current retirants and beneficiaries.......	$ 625.0	44%	$ 555.6	41%
Terminated vested participants...........	15.5	1	14.8	1
Total................................	$ 640.5	45%	$ 570.4	42%
Actuarial present value of credited projected benefits for active participants:				
Member contributions.....................	$ 118.3	9%	$ 122.9	9%
Employer financed portion................	1,255.8	89	1,121.6	83
Total................................	$1,374.1	98%	$1,244.5	92%
Total actuarial present value of credited projected benefits........................	$2,014.6	143%	$1,814.9	134%
Net Assets (At Cost) Available for Benefits.	$1,815.7		$1,562.4	
Valuation asset adjustment...............	(63.6)		(11.7)	
Valuation Assets..........................	$1,752.1		$1,550.7	
Unfunded actuarial present value of credited projected benefits..............	$ 262.5		$ 264.1	
Contributions - All Sources................	$ 114.0		$ 115.1	

Note 17 continued on next page.

The total actuarial present value of credited projected benefits increased by $199.7 million from September 30, 1982 to September 30, 1983. There were no changes in actuarial assumptions and no material changes in benefit provisions during the year that impact the credited projected benefit calculations.

The next table provides information on the Public School Employees' Retirement Fund reported under NCGA 6. The majority of the contributions, which are reported less health insurance premiums, were provided by the School Aid Fund and employer contributions. All figures are in millions.

	September 30, 1983		September 30, 1982	
	Dollar Amount	% of Annual Active Member Payroll	Dollar Amount	% of Annual Active Member Payroll
Actuarial present value of projected benefits payable to:				
Current retirants and beneficiaries.......	$2,189.3	57%	$1,998.4	54%
Terminated vested participants............	93.8	2	85.8	2
Total.................................	$2,283.1	59%	$2,084.2	56%
Actuarial present value of credited projected benefits for active participants:				
Member contributions......................	$ 691.9	18%	$ 688.0	19%
Employer financed portion.................	4,531.0	118	4,166.4	113
Total.................................	$5,222.9	136%	$4,854.4	132%
Total actuarial present value of credited projected benefits.........................	$7,506.0	195%	$6,938.6	188%
Net Assets (At Cost) Available for Benefits.	$6,222.6		$5,330.1	
Valuation asset adjustment................	(187.8)		(11.1)	
Valuation Assets..........................	$6,034.8		$5,319.0	
Unfunded actuarial present value of credited projected benefits..............	$1,471.2		$1,619.6	
Contributions - School Aid Fund...........	$ 214.2		$ 205.8	
Contributions - Employer Contribution.......	$ 223.9		$ 207.9	

The total actuarial present value of credited projected benefits increased by $567.4 million from September 30, 1982 to September 30, 1983. There were no changes in actuarial assumptions and no material changes in benefit provisions during the year that impact the credited projected benefit calculations.

Other Retirement Funds - Information on Actuarial Liabilities and Contributions

The actuarial liabilities of the other State retirement funds continue to be reported in accordance with Financial Accounting Standards Board Statement 35.

For purposes of computing values for disclosure according to generally accepted accounting principles, all funds except the State Police Pension, Accident, and Disability Fund are using a graded assumed rate of return on investments. Calculations in the remaining funds were based on a rate that varied from 13.3% to 8.0% except for the Legislative Retirement Fund which uses a graded assumed rate of return of 13.7% to 6.0%. Prior to the current year, the Judges', Probate Judges', and Legislative Retirement Funds used a rate that varied from 15.4% to 6.0%. The rate of return assumption in the State Police Pension, Accident, and Disability Fund is 8%. Under FASB 35, future salary increases are not considered.

Note 17 continued on next page.

With the exception of a $1.1 million deficiency in contributions to the Michigan State Police Pension, Accident, and Disability Fund, the amounts paid into these retirement funds for the year were sufficient to cover current service as well as to amortize prior service costs in accordance with generally accepted accounting principles as set forth in FASB 35.

For funds reporting under FASB 35, the following table provides information on the actuarially determined present value of benefits, net assets available for benefits, and the fiscal year 1982-83 contributions (less health insurance premiums) from all sources. The majority of the contributions were provided by the General Fund. All figures are in millions.

Fund	Date of Latest Actuarial Information	Vested Benefits	Non-Vested Benefits	Net Assets (At Market) Available for Benefits	1982-83 Contributions-All Sources
Legislative Retirement Fund.	9/30/82	$ 20.4	$ 2.0	$ 24.9	$ 2.1
State Police Pension, Accident and Disability Fund......................	9/30/81	171.3	1.6	104.7	17.2
Probate Judges' Retirement Fund......................	9/30/82	8.2	.9	7.4	.6
Judges' Retirement Fund.....	9/30/82	35.1	8.4	36.6	3.6

All Retirement Funds - Statutory Funding

Contributions to the various retirement funds are determined by using the individual entry age actuarial method. Any assumption changes are discussed in the following paragraphs.

For purposes of computing statutory employer contribution requirements in the Judges' Retirement and Probate Judges' Retirement Funds, the assumed rate of return on investments was changed to 8.0% from 6.0% and the salary scale base assumption was changed to 6.5% from 4.5%. The State Police Pension, Accident and Disability, State Employees' Retirement, and Public School Employees' Retirement Funds continued to use an assumed 8.0% rate of return and a 6.5% salary scale base assumption. The Legislative Retirement Fund continued to use an assumed 6.0% rate of return and a 4.5% salary scale base assumption.

The 1982-83 statutory periods for amortization of unfunded actuarial accrued liabilities are 40 years in the Probate Judges' Retirement, Judges' Retirement, and State Police Pension, Accident and Disability Funds; and 50 years in the State Employees' and Legislative Retirement Funds. Prior to this year the State Employees' Retirement Fund was on the interest only method of funding. The Public School Employees' Retirement Fund remains on the interest only method of funding. Under this method, interest is paid on the unfunded accrued liabilities, but these liabilities are not amortized over any fixed time period.

Employer contributions for the State Employees' Retirement Fund were made on the basis of interest only financing of unfunded accrued liabilities. As mentioned above, the retirement statute requires a 50-year amortization of unfunded accrued liabilities in this fund. In prior years this statutory requirement was waived. Legislation is currently pending to authorize the interest only contribution rate for the 1982-83 fiscal year. The contributions for the 1982-83 fiscal year were deficient by $10.5 million based on interest only financing or, $19.0 million with the 50-year amortization. Public Act 316 of 1982 establishes an annual reconciliation process to ensure that contributions to the retirement funds are in accordance with the actuarially computed contributions. Contribution shortfalls or overages in a given fiscal year will be corrected by special contribution rate adjustments in the second succeeding fiscal year.

If the earnings on retirement assets exceed a computed standard, Public Acts 256 and 253 of 1982 require that the State Employees' and Public School Employees' Retirement Funds make an additional distribution to retirees and retirement allowance beneficiaries on record at the end of each fiscal year. The existence and amount of the liability in each fund is determined by multiplying the present value of allowances and benefits to be paid after the end of the previous fiscal year times the current year's earnings on assets that exceed an 8% return. Distributions for fiscal years 1981-82 and 1982-83 are to be reduced by the amount of post retirement adjustments paid during those years. The September 30, 1983 liability in the State Employees' Retirement Fund is $11.7 million and in the Public School Employees' Retirement Fund is $27.6 million.

NOTE 18 -- COMPENSATION RELATED ACCRUALS

Material amounts for compensation related liabilities have been recorded (except for Statutory/Budgetary statements for governmental funds) as shown in the table included in this footnote. Also, an estimated amount for related federal revenues has been accrued in the amount of $5.9 million in the General Fund, $1.6 million in the Michigan Employment Security Act--Administration Fund, and $0.4 million in the State Trunkline Fund.

Annual leave balances may either be used for compensated absences or paid, in accordance with appropriate regulations, to employees/beneficiaries at death, retirement or separation from classified service.

In accordance with Civil Service Commission rules, cash payments for accumulated sick leave balances are made to retiring employees or to the beneficiary or estate of an employee at death for employees hired prior to October 1, 1980. Employees hired subsequent to this date are not eligible to receive these payments. The cash payments are based on 50% of the employee's sick leave accumulation, times the pay rate in effect at time of retirement or death. Additionally, when separating from the State service for any reason other than retirement or death, employees that were hired prior to October 1, 1980 are paid a percentage of their unused sick leave at their last rate of pay in accordance with a graduated rate table which increases from 0 to 50% depending upon the balance of their sick leave hours.

At September 30, 1983, eligible employees receiving regular salary payments from all funds had earned longevity payments which were made on December 1, 1983.

The following table summarizes the recording of the September 30, 1983, dollar values (in thousands) for annual leave balances (including employer's retirement expense), sick leave balances, and longevity payments (including employer's retirement expense):

FUND GROUP	ANNUAL	SICK	LONGEVITY	TOTAL
General	$ 7,629	$ 6,095	$10,966	$ 24,691
Special Revenue	1,312	1,340	2,452	5,105
Enterprise	86	71	7	164
Internal Service	533	589	67	1,189
Trust	5	2	4	12
General Long-Term Obligations	109,997	127,405	-	237,402
	$119,564	$135,503	$13,498	$268,566

NOTE 19 — WORKERS' COMPENSATION PREMIUMS

Public Act 388 of 1913 provides for workers' compensation insurance coverage for State employees. The State is billed by the State Accident Fund for actual benefits paid plus an administrative expense surcharge of 16.46% of benefit payments. These billings are paid from annual appropriations. Premiums billed for fiscal year 1982-83 covering State employees amounted to $15.8 million. Anticipated future liability on outstanding claims for State employees as of September 30, 1983, as calculated by the State Accident Fund, was $57.8 million, which is not recorded in the accompanying financial statements. This represents estimated future compensation, based upon claimant's income and projected length of disability; and anticipated medical and hospital expenses at current rates.

NOTE 20 — UNEMPLOYMENT COMPENSATION

The Michigan Employment Security Commission bills the State for the actual amount of claims paid through September 30 to former State employees. The State does not accrue liabilities for unemployment compensation to be paid in future fiscal years. During the 1982-83 fiscal year, the amount of claims paid to former State employees was $12.5 million. Future year payments have not been estimated.

NOTE 21 — UNEMPLOYMENT COMPENSATION DEBT

As of September 30, 1983, the Michigan Unemployment Compensation Fund, which is not reported on in these financial statements, had a liability to the federal government of $2.3 billion for amounts borrowed to pay unemployment compensation. Of this amount $741.3 million was interest bearing. As of March 30, 1984, the debt had risen to $2.4 billion of which $895.8 million was interest bearing. The rate of interest on the interest bearing portion of the debt varies depending on several factors; the current rate is 9.78%.

The debt is to be repaid to the federal government by the employers in the State of Michigan through the unemployment tax. The unemployment tax is designed to cover the repayment of the debt. In addition, a surcharge, known as the solvency tax, has been imposed on certain employers in the State of Michigan for the specific purpose of payment of the interest. In the event that solvency tax collections are not sufficient, the State of Michigan has guaranteed payment of the interest. The solvency tax collections are deposited into the Michigan Employment Security Act Contingency Fund, a trust fund reported on in these financial statements.

The liability above does not include the interest payable for fiscal 1983 which is a liability of the Michigan Employment Security Act Contingency Fund. The fund, which has a fiscal year-end fund balance of $5.2 million, has a $25.4 million interest payment liability recorded in the fund and an additional $38.1 million liability recorded in the general long-term obligations group.

NOTE 22 -- SINGLE BUSINESS TAX LIABILITY

In January 1983, the U.S. Supreme Court (Memphis Bank & Trust) unanimously struck down a Tennessee tax on the net earnings of banks because it discriminated in favor of obligations issued by Tennessee and its political subdivisions and against federal obligations, by including in the tax base the income from federal obligations while excluding income from obligations of Tennessee and its subdivisions.

In Michigan, the tax base of a financial institution under the Single Business Tax (SBT) does not allow for adjustment to federal taxable income for items of interest, except for the addition of income from obligations of states other than Michigan and their subdivisions. Thus, such tax base contains the income from federal obligations, but it excludes the income from obligations of the State of Michigan and its subdivisions.

Therefore, there is no difference between the discriminatory effect of the Tennessee tax upon bank earnings and Michigan's provisions for treatment of the interest income of financial institutions under the SBT. At September 30, 1983, a SBT liability, related to petitions by financial institutions for refunds of SBT payments, of $52.5 million, including interest, was recorded in the General Fund. The petitions for refunds are barred by a four year statute of limitations.

NOTE 23 — LEASES

The State leases land, buildings, and equipment under agreements which have varied terms. Most have cancellation clauses with 1 - 6 month notice requirements. The majority have renewal clauses, and those which aren't renewed are normally replaced with similar leases. These leases have not been analyzed to determine whether they would more appropriately be classified as "operating" or "capital" leases. Rental expenditures incurred under these leases amounted to $54.0 million in 1981-82 and $56.6 million in 1982-83. Of the 1982-83 amount, the majority occurred in the General Fund ($48.6 million) and the Special Revenue Funds ($6.9 million).

NOTE 24 — GENERAL LONG-TERM OBLIGATIONS

General Obligation Debt - Article 9, Section 15 of the 1963 State Constitution authorizes long-term borrowing, subject to approval by a majority of the electorate voting thereon at a general election.

Additional debt may be incurred, without voter approval, for the purpose of providing loans to school districts. Loan repayments are the primary funding source for debt service requirements.

Issuance of general obligation debt is subject to legislative approval, and once approved is backed by the full faith and credit of the State. General Fund appropriations are made to finance debt principal and interest requirements for all general obligation issues except School Loan Bonds, where only the excess of requirements over loan repayments is provided.

Note 24 continued on next page.

Revenue Dedicated Debt

Oversight Entity - Long-term bonds have been issued periodically for specific purposes, with the stipulation that financing of debt requirements is to come strictly from designated revenue sources. The State's general credit does not support such issues.

State Authorities - Governmental - Revenue bonds have been issued by certain of the governmental authorities for construction of the Mackinac Bridge and to acquire and/or construct various facilities for use by the State or institutions of higher education. These bonds are obligations of the authorities and do not constitute direct general obligations of the State. The debt requirements of the MBA bonds are financed through authority revenues and an annual transfer from the Michigan Transportation Fund. The debt requirements of the State Building Authority bonds are financed through General Fund appropriations, excess bond proceeds, and investment earnings.

See Note 34 for disclosures regarding the long-term debt of the State Authorities - Proprietary.

General Obligation and Revenue Dedicated Bonds issued and outstanding at September 30, 1983 (expressed in thousands) are as follows:

	AMOUNTS ISSUED	OUTSTANDING 9/30/83	MATURITIES FIRST YEAR	MATURITIES LAST YEAR	AVERAGE INTEREST RATE PERCENTAGE
GENERAL OBLIGATION DEBT					
School Loan Bonds Series I-III	$ 97,500	$ 16,500	1973	1985	4.77
School Loan Bonds Series IV	20,000	13,800	1980	1989	4.60
School Loan Bonds Series V	14,000	14,000	1986	1989	9.83
Water Pollution Series II	15,000	7,000	1980	1990	5.99
Water Pollution Series III	50,000	36,000	1979	1999	4.43
Water Pollution Series IV	80,000	32,000	1973	1999	4.34
Water Pollution Series V	7,000	7,000	1986	1988	4.07
Water Pollution Series VI	70,000	28,000	1974	1998	4.56
Water Pollution Series VII	50,000	23,000	1975	1993	4.34
Public Recreation Series III	33,000	8,000	1974	1986	4.07
Public Recreation Series V	11,000	6,000	1979	1989	4.60
Vietnam Veteran Bonus Series I-III	190,000	118,000	1976	1989	5.23
TOTAL GENERAL OBLIGATION DEBT	637,500	309,300			
REVENUE DEDICATED DEBT					
Oversight Entity:					
State Park Revenue Bonds Series I-VIII	19,100	11,500	1963	1996	5.78
Tax Dedicated Bonds					
Michigan Trunkline Construction Series II-IX	255,000	45,145	1961	1987	3.79
Michigan Comprehensive Transportation Series A	106,250	101,050	1980	2009	8.09
Michigan Comprehensive Transportation Series B	50,000	48,800	1982	2011	11.65
State Trunkline Fund Bonds Series 1983	135,000	135,000	1985	1999	9.65
	546,250	329,995			
Joint Effort Tax Dedicated Bonds					
Detroit--Series I-IV	99,100	6,285	1960	1984	3.60
Grand Rapids--1960 Issue	18,000	2,030	1961	1985	4.12
	117,100	8,315			
TOTAL REVENUE DEDICATED DEBT - OVERSIGHT ENTITY	682,450	349,810			

Note 24 continued on next page.

	AMOUNTS ISSUED	OUTSTANDING 9/30/83	MATURITIES		AVERAGE INTEREST RATE PERCENTAGE
			FIRST YEAR	LAST YEAR	
State Authorities - Governmental:					
State Building Authority					
1979 Revenue Bonds - Series I	89,450	84,575	1982	1999	6.36
1982 Revenue Bonds - Series I	101,415	100,410	1983	2002	12.24
1982 Revenue Bonds - Series II	21,085	21,085	1983	1995	8.46
1982 Revenue Bonds - Series III	237,945	237,945	1987	2012	10.71
	449,895	444,015			
Mackinac Bridge Authority					
Revenue Bonds Series B	20,000	15,486	1994	1994	5.25
TOTAL REVENUE DEDICATED DEBT - STATE AUTHORITIES - GOVERNMENTAL	469,895	459,501			
TOTAL REVENUE DEDICATED DEBT	1,152,345	809,311			
GRAND TOTAL	$ 1,789,845	$ 1,118,611			

Compensation Liabilities - Civil Service Commission rules provide for the accumulation of annual leave and sick leave benefits. The long-term portions of these liabilities related to governmental fund types are included in general long-term obligations.

Judgments - In 1976 the United States Supreme Court directed that the Detroit Board of Education institute various comprehensive programs. The cost to be defrayed equally, each year, by the Detroit School District and the State. The State's financial responsibility will terminate in the 1987-88 fiscal year. The State's cummulative share of the specified costs, after September 30, 1983, totals $22.9 million, with annual payments from $5.2 million in fiscal year 1983-84 declining to $4.0 million in fiscal year 1987-88. Additional unspecified amounts for a monitoring commission, attorney fees, and an inflationary adjustment factor may arise annually through fiscal year 1987-88, but should be nominal in amount.

In addition, a federal court order, issued in 1981, directed the State to share in the costs of implementing a desegregation remedy plan for Coloma, Eau Claire, and Benton Harbor schools. No termination date for State responsibility is set by the judgment and the case is currently in the remedy stage. However, payments approximating $1.5 million dollars will be made annually under the present court order, pending the remedy outcome. As a result, the liability to the State is not determinable and this judgment is not included in the general long-term debt account group.

Although initial disbursements for these court ordered payments are reflected in the School Aid Fund, the General Fund will absorb the costs via subsidies to the School Aid Fund.

Unemployment Compensation Borrowing Interest Liability
The Michigan Employment Security Act Contingency Fund (a trust fund) has a long-term liability of $38.1 million. This liability is the amount of required interest payments to the federal government for borrowing for the payment of unemployment insurance claims fon unemployed workers in Michigan. The long-term liability in the prior fiscal year was included in note 20 of the 1981-82 annual financial report.

Contingent Liability for Local School District Bonds
Public Act 108 of 1961, as amended, resulted in a contingent liability for the bonds of any school district which are "qualified" by the Superintendent of Public Instruction. Every qualified school district is required to borrow and the State is required to lend to it any amount necessary for the school district to avoid a default on its qualified bonds. In the event funds are not available in the School Bond Loan Fund in adequate amounts to make such a loan, the State is required to make such loans from the General Fund.

As of December 31, 1983, $3,091.0 million of qualified bonds, including interest of $1,026.8 million, was outstanding. The current portion of this contingent liability equals $250.1 million, including interest of $113.1 million, which will mature in the year ended December 31, 1984. Total maturities during any calendar year do not exceed $250.1 million.

Note 24 continued on next page.

Changes in general long-term obligations (in thousands) for the year ended September 30, 1983 are summarized as follows:

	GENERAL OBLIGATION DEBT	REVENUE DEDICATED DEBT - OVERSIGHT ENTITY	REVENUE DEDICATED DEBT - STATE AUTHORITIES GOVERNMENTAL
Bonds:			
Balance October 1, 1982 (MBA - July 1)	$ 361,000	$ 238,605	$ 214,426
New bond issues	-	135,000	259,030
Bond principal retirements	(51,700)	(23,795)	(13,955)
Balance September 30, 1983 (MBA - June 30).	$ 309,300	$ 349,810	$ 459,501

	COMPENSATION LIABILITIES	JUDGMENTS	UNEMPLOYMENT COMPENSATION BORROWING INTEREST LIABILITY
Other obligations:			
Balance October 1, 1982	$ 226,884	$ 28,935	$ -
Net increase of long-term compensation liabilities	10,518	-	-
Elimination of portion of judgment attributed to fiscal year 1982-83	-	(5,992)	-
Determination of long-term interest liability.	-	-	38,110
Balance September 30, 1983	$ 237,402	$ 22,942	$ 38,110

NOTE 25 -- INTERFUND RECEIVABLES AND PAYABLES

Significant interfund receivables and payables are listed by individual fund. Others are shown in total for the fund type. On the balance sheet these balances are presented as "amounts due from other funds" and "amounts due to other funds."

GOVERNMENTAL FUND TYPES	INTERFUND RECEIVABLES (In Thousands)	INTERFUND PAYABLES (In Thousands)
General Fund	$ 1,878	$55,717
Special Revenue Funds:		
State Trunkline Fund	19,538	2,380
Michigan Transportation Fund	2,183	21,586
Comprehensive Transportation Fund	4,994	105
School Aid Fund	8,454	-
Other Special Revenue Funds	6,217	1,925
	41,387	25,997
Debt Service Funds	33	-
Capital Projects Funds	-	113
State Authorities - Governmental	244	136
PROPRIETARY FUND TYPES		
Enterprise Funds	36	85
Internal Service Funds	1,456	159
State Authorities - Proprietary	-	402
FIDUCIARY FUND TYPES		
Trust and Agency Funds:		
State Employees' Retirement Fund	8,885	-
Public School Employees' Retirement Fund	4,442	-
Special Assessment Deferment Fund	-	2,726
Contribution Fund (Social Security)	23,943	-
Other Trust and Agency Funds	4,766	1,735
	42,036	4,461
Total All Funds	$87,073	$87,073

STATE OF MICHIGAN

NOTES TO FINANCIAL STATEMENTS (Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 1983

NOTE 26 -- FUND BALANCES - OTHER RESERVES

"Other reserves" on the balance sheet at September 30, 1983 consist of the following (in thousands):

	General Fund	Special Revenue Funds
Reserved for unencumbered restricted revenue balances (except capital outlay)..	$ 107,950	$ 30,798
Reserved for unencumbered restricted revenue -- capital outlay....	1,375	-
Reserved for unencumbered capital outlay and work projects........	-	86,355
Reserved for noncurrent assets....................................	25,017	71,085
Reserved for operating balances carried forward..................	-	4,201
Reserved for prize awards...	-	1,831
	$ 134,343	$ 194,270

Unreserved fund balances are available for further appropriation, except for $34.8 million of unreserved capital outlay and work project carry-overs in the General Fund and trust funds, the latter which are not appropriated. Fund balances in trust funds are used only for the purpose of the funds.

NOTE 27 -- SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The State operates three enterprise funds. The Liquor Purchase Revolving Fund accounts for the State's activities in the distribution of liquor at the wholesale and retail levels. The fund is also used to account for certain liquor taxes that generate revenue for other State activities. Statutorily defined free-cash balances of the fund are transferred to the General Fund. The Michigan State Fair Revolving Fund records the results of the annual State Fair and periodic rental of fairground facilities. The General Fund provides periodic transfers by way of improvement of facilities as well as making up any free-cash deficit. The Department of Natural Resources Magazine Fund accounts for the production and sale of various publications.

Segment information for the fiscal year ended September 30, 1983 (in thousands) was as follows:

	LIQUOR PURCHASE REVOLVING FUND	MICHIGAN STATE FAIR REVOLVING FUND	DEPARTMENT OF NATURAL RESOURCES MAGAZINE FUND	TOTAL ENTERPRISE FUNDS
OPERATING REVENUES.............	$ 406,823	$ 2,442	$ 1,723	$ 410,989
DEPRECIATION....................	394	350	7	751
OPERATING INCOME (LOSS).........	55,680	(1,913)	161	53,928
OPERATING TRANSFERS:				
IN:				
Statutory Free-Cash Transfer	-	1,382	-	1,382
Contributed Fixed Assets....	-	944	-	944
Other Transfers.............	-	370	2	373
Operating Transfers In...	-	2,698	2	2,701
OUT:				
Statutory Free-Cash Transfer	(61,841)	-	-	(61,841)
Administrative General Fund Costs................	(565)	(29)	(3)	(597)
Operating Transfers Out..	(62,406)	(29)	(3)	(62,439)
TAX REVENUES....................	6,971	-	-	6,971
NET INCOME (LOSS)...............	245	575	149	971

Note 27 continued on next page.

	LIQUOR PURCHASE REVOLVING FUND	MICHIGAN STATE FAIR REVOLVING FUND	DEPARTMENT OF NATURAL RESOURCES MAGAZINE FUND	TOTAL ENTERPRISE FUNDS
BUILDINGS AND EQUIPMENT:				
ADDITIONS......................	640	1,031	46	1,719
DELETIONS......................	(3)	(286)	-	(290)
NET WORKING CAPITAL.............	-	-	(251)	(251)
TOTAL ASSETS....................	95,140	15,083	931	111,156
LONG-TERM LIABILITIES...........	-	105	40	146
TOTAL EQUITY (DEFICIT)..........	5,171	13,952	(241)	18,883

NOTE 28 -- REVENUES, EXPENSES, TRANSFERS, AND CHANGES IN RETAINED EARNINGS - STATE SPONSORED GROUP INSURANCE: BY INSURANCE PROGRAM

Beginning with the 1981-82 fiscal year, the State began to account for the activities of its employee insurance programs in the State Sponsored Group Insurance Fund, an internal service fund. Previously, the dental program was accounted for in a trust fund, and its equity was transferred to this new fund. The other programs, including health, life, and long-term disability, were not recorded in a separate fund. The employer share of premiums were paid directly from each operating fund together with the employee share.

Under some plans the State purchases full insurance coverage through contractual agreements with a private insurance carrier, while under others it is fully self-insured or partially self-insured. The partially self-insured plans usually provide for self-insuring up to specified limits, after which a private carrier assumes liability for claims. The dental and vision plans are self-insured, while the long-term disability, life, and portions of the health program are partially self-insured.

Claims which have been incurred but not reported for processing at year end have been recorded at an estimated amount of $30.1 million. These liabilities are of short-term duration except for $7.8 million related to the long-term disability program which is recorded at an actuarially determined present value.

The Department of Civil Service intends that the various component programs of the fund be self-supporting in the long run. Individual programs may incur deficits during a given year, but each program's surplus or deficit is considered in calculating future charges or benefit levels. Premiums for the 1984-85 fiscal year have been established at rates which are intended to reduce the deficit.

Selected financial information for the plans for the fiscal year ending September 30, 1983 are shown below (in thousands):

	INSURANCE PROGRAM					
	Health	Life	Long-Term Disability	Dental	Vision	Total
Retained Earnings (Deficit) - October 1, 1982................	$ (1,867)	$ 2,748	$ -	$(1,737)	$ -	$ (856)
Operating Revenues...............	136,134	7,604	23,705	18,915	1,172	187,533
Operating Expenses and Transfers Out..................	137,339	9,702	24,104	19,494	1,491	192,133
Net Income (Loss)..............	(1,204)	(2,097)	(399)	(578)	(319)	(4,599)
Retained Earnings (Deficit) - September 30, 1983.............	$ (3,071)	$ 650	$ (399)	$(2,316)	$ (319)	$ (5,455)

NOTE 29 -- LITIGATION

The State is a party to various legal proceedings seeking damages or injunctive or other relief. In addition to routine litigation, certain of these proceedings could, if unfavorably resolved from the point of view of the State, substantially affect State programs or finances. These lawsuits involve programs generally in the areas of corrections, transportation, social services, tax collection, commerce, and budgetary reductions to school districts and governmental units. Relief sought includes damages in tort cases generally, changes in Medicaid eligibility standards and disbursement policies, refund claims under the Single Business Tax, and recovery of taxes paid under the Michigan Premium Tax. The State is also a party to various legal proceedings which, if resolved in the State's favor, would result in contingency gains to the State's General Fund balance, but without material effect upon said fund balance. The ultimate dispositions and consequences of all of these proceedings are not presently determinable, but such ultimate dispositions and consequences of all these legal proceedings will not themselves, in the opinion of the Attorney General of the State, have a material adverse effect on the State's financial position.

NOTE 30 -- SUBSEQUENT EVENTS

Short-Term Borrowing

The Constitution provides that the legislature may authorize the issuance of short-term notes, the principal amount of which may not exceed 15% of undedicated revenues received in the preceding year. The Constitution also provides that such notes must be repaid within the fiscal year of the borrowing. Based upon such revenues for the fiscal year ended September 30, 1983, the State may issue short-term securities, the outstanding amount of which may not exceed $773.9 million.

On October 3, 1983, the State issued general obligation notes aggregating $500 million. The notes, which carry third party guarantees, have an effective interest rate of 7.4% and are due as follows: $350 million on September 13, 1984 and $150 million on September 27, 1984. A comparable amount was borrowed in October 1982 and repaid in September 1983.

Bond Sales

During 1983-84 the State issued tax dedicated bonds aggregating $60 million which mature during the years 1985 through 2014, inclusive. The bonds are payable solely out of funds restricted as to use for comprehensive transportation purposes by the Michigan Constitution which are irrevocably pledged by law for deposit in the Comprehensive Transportation Fund. The bonds are not general obligations of the State of Michigan, its agencies, instrumentalities or, political subdivisions.

Early Retirement Legislation

P.A. 3 of 1984, dated January 30, 1984, provided for an early retirement plan for employees who have met certain age and years of service requirements. The act will accelerate the payoff of accumulated leave balances for eligible employees. Accumulated sick leave payoffs, however, are to be spread over five years instead of being paid as a lump sum at retirement. In addition, the employees who retire under the provisions of the act will receive a monthly supplement to age 62. The supplement is to be paid from the monies originally appropriated for the employees' salaries. It is anticipated that the effect on the State Employees' Retirement Fund actuarial calculation will be insignificant.

NOTE 31 -- SIGNIFICANT ACCOUNTING POLICIES, STATE AUTHORITIES

Method of Presentation - The financial information presented in the State Authorities - Governmental and State Authorities - Proprietary columns was obtained from the audited financial statements of each of the authorities. The authorities were classified into either governmental or proprietary types based on the predominant nature of their activities. The information was then compiled by type into combining level financial statements. This compilation required adjustments to the various authorities' statements. Most of the statements reported several funds; therefore, activities between the different funds within each authority were eliminated so that each unit would be presented in a single column in the combining level statements. Various other reclassifications and adjustments were made to provide consistency in presentation and basis between the authorities and with the reporting practices of the State. Long-term debt of the governmental authorities was incorporated as part of the General Long-Term Obligations group of the State. See Note 24.

Note 31 continued on next page.

STATE OF MICHIGAN

NOTES TO FINANCIAL STATEMENTS (Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 1983

Basis of Accounting - The governmental authorities are presented on the modified accrual basis of accounting. The proprietary authorities are presented on the accrual basis of accounting.

Expenditure Classification - The expenditures of the governmental authorities are classified by character with current expenditures subclassified by function. The expenditures incurred by the State Building Authority for construction of buildings for institutions of higher education are treated as grants and are classified as "Current - Education," rather than "Capital Outlay," because the institutions are not part of the reporting entity.

Interfund Activity - Expenditures by the State for direct costs of the authorities are accounted for as interfund reimbursements so that such costs are reflected as expenses or expenditures of the authorities. Amounts received by the State from the authorities for indirect or overhead charges are classified as operating transfers. Subsidies provided to the authorities by the State are also classified as operating transfers.

Amounts due from or to the authorities at the end of the fiscal year are generally classified as interfund receivables or payables. Lease-purchase agreements between the State and the State Building Authority (SBA) are not reported as interfund receivables and payables because the General Long-Term Obligations group now includes the related bonds issued by the SBA.

Fiscal Year-Ends - Certain authorities have fiscal year-ends of June 30, which differs from the State's fiscal year-end of September 30. These are the Mackinac Bridge Authority (governmental), the Michigan State Housing Development Authority, and the Michigan State Hospital Finance Authority (proprietary).

Investments - Investments are reported at cost or amortized cost, net of any unamortized premium or discount. See Note 32.

Fixed Assets - Fixed assets of the governmental authorities are recorded as expenditures when purchased. Fixed assets acquired by the proprietary authorities are generally expensed when purchased, except for those acquired by the Mackinac Island State Park Commission (MISPC). The MISPC computes depreciation on the straight-line method over the estimated useful lives of its capitalized assets. Historical objects of the MISPC are not depreciated.

NOTE 32 -- INVESTMENTS, STATE AUTHORITIES

Investment information for the State authorities for the fiscal years ended 1983 (in millions) is provided below:

	Face Value or Original Cost	Unamortized Premium (Discount)	Amortized Cost/Cost	Market Value
STATE AUTHORITIES - Governmental				
Current Investments				
State Building Authority	$ 119.8	$ -	$ 119.8	*
Mackinac Bridge Authority	4.0	-	4.0	*
Michigan Job Development Authority	.4	-	.4	*
Total Current Investments	124.2	-	124.2	*
Noncurrent Investments				
State Building Authority	94.8	2.4	97.2	$ 97.2
Total Investments	$ 219.0	$ 2.4	$ 221.4	

*Market value approximates cost.

Investments generally consist of federal government securities.

Note 32 continued on next page.

	Face Value or Original Cost	Unamortized Premium (Discount)	Amortized Cost/Cost	Market Value
STATE AUTHORITIES - Proprietary				
Current Investments				
Michigan State Housing Development Authority............................	$ 214.4	$ -	$ 214.4	*
Michigan State Hospital Finance Authority............................	300.5	-	300.5	*
Michigan Higher Education Student Loan Authority......................	103.8	-	103.8	*
Mackinac Island State Park Commission..	1.4	-	1.4	*
Total Current Investments............	620.1	-	620.1	
Noncurrent Investments				
Michigan State Housing Development Authority............................	211.3	(2.4)	208.9	$ 205.2
Michigan State Hospital Finance Authority............................	144.2	(4.0)	140.2	139.6
Michigan Higher Education Student Loan Authority......................	22.2	.4	22.6	22.6
Total Noncurrent Investments.........	377.7	(6.0)	371.7	$ 367.4
Total Investments....................	$ 997.8	$ (6.0)	$ 991.8	

*Market value approximates cost.

Investments generally consist of federal government securities and those guaranteed by the State of Michigan.

NOTE 33 -- MORTGAGE NOTES AND LOANS RECEIVABLE, STATE AUTHORITIES - PROPRIETARY

Components of mortgage notes and loans receivable (in millions) for the proprietary authorities are as follows:

	Mortgage Notes and Loans Receivable (Gross)	Unloaned Bond Proceeds	Unamortized Discount	Allowance for Possible Losses	Mortgage Notes and Loans Receivable (Net)
Michigan State Housing Development Authority..........	$ 1,264.6	$ -	$ -	$ (12.1)	$ 1,252.5
Michigan State Hospital Finance Authority......................	1,045.2	(341.3)	(21.2)	-	682.7
Michigan Higher Education Student Loan Authority.........	173.1	-	-	-	173.1
Michigan Economic Development Authority.....................	.3	-	-	-	.3
	$ 2,483.2	$ (341.3)	$ (21.2)	$ (12.1)	$ 2,108.6

The Michigan State Housing Development Authority had loan commitments outstanding at June 30, 1983 of $50.8 million. The Michigan State Hospital Finance Authority unloaned bond proceeds of $341.3 million are committed for either future loans or long-term debt requirements. The Michigan Economic Development Authority had loan commitments outstanding at September 30, 1983 of $9.5 million.

Note 33 continued on next page.

NOTE 34 -- BONDS AND NOTES PAYABLE, STATE AUTHORITIES - PROPRIETARY

Bonds and Notes payable of the proprietary authorities for the fiscal years ended 1983 are as follows:

	Amounts (in millions)	
	Bonds	Notes
Michigan State Housing Development Authority (MSHDA)		
Notes - Issued under a revolving credit agreement which expires on June 15, 1985, interest rate at 67% of the prime interest rate not to exceed 13%	$ -	$ 17.9
Construction loan notes - Interest rate at 6.58%, due March 15, 1984	-	11.5
Revenue bonds - Effective interest rates ranging from 5.74% to 13.99%, due in varying amounts of principal and interest through 2023	1,483.4	-
Michigan State Hospital Finance Authority (MSHFA)		
Revenue bonds - Average interest rates ranging from 5.74% to 15.89%, due in varying amounts of principal and interest through 2015	1,084.9	-
Michigan Higher Education Student Loan Authority (MHESLA)		
Revenue notes - Stated interest rates ranging from 9.50% to 10.60%, due in varying amounts of principal in 1984 through 1986, interest due semiannually	-	147.0
Revenue bonds - Stated interest rates ranging from 7.75% to 8.25%, due in varying amounts of principal in 1985 and 1986, interest payable semiannually	120.0	-
Michigan Economic Development Authority (MEDA)		
Revenue bonds - Average interest rate of 10.73%, due in varying amounts of principal and interest through 1994	39.8	-
Mackinac Island State Park Commission (MISPC)		
Revenue bonds - Average interest rate of 13.58%, due in varying amounts of principal and interest through 1997	.5	-
Total Bonds and Notes Payable	$2,728.6	$176.4

The bonds and notes payable are legal obligations of the authorities and are not general obligations of the State. The MSHDA, MHESLA, and MISPC debts are general obligations of the authorities. The MSHFA and MEDA bonds are limited obligations and are generally repayable solely from loan repayments received, investment earnings, bond proceeds retained (MSHFA), and distributions from the Heritage Trust Fund (MEDA).

Note 34 continued on next page.

Principal maturities (in thousands) for the next five years are as follows:

	MSHDA	MSHFA	MHESLA	MEDA	MISPC	Total Principal Requirements Proprietary Authorities
1984......	$30,780	$20,240	$ 40,000	$5,765	$20	$ 96,805
1985......	40,975	32,677	57,000	5,505	25	136,182
1986......	25,455	34,242	170,000	3,980	25	233,702
1987......	28,210	38,127	-	3,090	25	69,452
1988......	29,540	33,358	-	2,550	25	65,473

NOTE 35 -- LIMITED OBLIGATION DEBT, STATE AUTHORITIES - GOVERNMENTAL

The Michigan Job Development Authority (MJDA) issues limited obligation bonds to finance loans to business enterprises in Michigan. The Michigan Higher Education Facilities Authority (MHEFA) issues limited obligations bonds to finance loans to public or private institutions of higher education within the State of Michigan for capital improvements. A separate bond issue is made for each loan. The authorities are liable for the repayment of the bonds only from loan repayments received or any secured interest in the facilities, equipment, or furnishings, as provided under the various loan agreements. All loan repayments are made directly to the bondholders' trustees by the companies or colleges.

Because of the limited liability of the authorities, bonds in the amount of $188.7 million and $5.8 million of the MJDA and MHEFA, respectively, have not been included in the General Long-Term Obligations account group as of September 30, 1983. Comparable amounts as of September 30, 1982 were $163.7 million and $3.2 million for the MJDA and MHEFA, respectively.

The Michigan Family Farm Development Authority (MFFDA) issues bonds under provisions similar to those described for the MJDA and the MHEFA. At September 30, 1983, no bonds had been issued by the MFFDA. Between October 1, 1983 and March 1, 1984, bonds amounting to $1.6 million were issued by the authority.

NOTE 36 -- FUND BALANCE RESERVES AND RETAINED EARNINGS DESIGNATIONS, STATE AUTHORITIES

"Other reserves" of the governmental authorities as of the fiscal years ended 1983 are amounts reserved for future construction and debt retirement. The amounts (in millions) consist of:

State Building Authority....	$212.0
Mackinac Bridge Authority...	3.5
Total..................	$215.5

Certain amounts of the proprietary authorities' retained earnings are designated for specified purposes. Generally, these designations are required by the applicable bond agreements. The amounts (in millions), by authority, as of the fiscal years ended 1983 are as follows:

Michigan State Housing Development Authority.................	$ 80.3
Michigan State Higher Education Student Loan Authority.......	25.8
Michigan State Economic Development Authority................	6.7
Mackinac Island State Park Commission........................	4.3
Total..	$117.1

NOTE 37 -- SEGMENT INFORMATION, STATE AUTHORITIES - PROPRIETARY

The State's proprietary authorities (and commission) include the Michigan State Housing Development Authority (MSHDA), Michigan State Hospital Finance Authority (MSHFA), Michigan Higher Education Student Loan Authority (MHESLA), Michigan Economic Development Authority (MEDA), and the Mackinac Island State Park Commission (MISPC).

The four authorities issue long-term debt to finance loans for the construction of multifamily and single family housing and home improvements (MSHDA), for capital improvements and equipment acquisition at nonprofit hospitals (MSHFA), for tuition to qualified students attending participating institutions of higher education (MHESLA), and for issuing loans and grants to private enterprise to foster economic expansion (MEDA). The long-term debt of these authorities is financed mainly from loan repayments and investment income. The long-term debt of the MEDA is also financed, in part, from gas and oil revenue received from the Heritage Trust Fund (an agency fund).

Note 37 continued on next page.

The MISPC accounts for the operation of the Mackinac Island State Park. The majority of its costs are financed through admission fees, although it does receive a partial subsidy in the form of a General Fund appropriation determined annually by the Legislature.

Segment information for the proprietary authorities for the fiscal years ended in 1983 (in thousands) is as follows:

	MSHDA June 30	MSHFA June 30	MHESA September 30	MEDA September 30	MISPC September 30	Total State Authorities-Proprietary
OPERATING REVENUES.......	$ 147,167	$ 88,115	$ 30,624	$ 4,677	$ 1,226	$ 271,809
DEPRECIATION AND AMORTIZATION EXPENSE...	474	-	1,421	-	106	2,001
OPERATING INCOME (LOSS)..	13,308	339	2,662	(2,738)	(600)	12,971
OIL AND GAS MINERAL REVENUE (NONOPERATING).	-	-	-	10,500	-	10,500
OPERATING TRANSFERS:						
In (subsidies).........	-	-	-	3,500	586	4,086
Out (indirect or overhead costs)......	(969)	-	-	(117)	-	(1,086)
NET INCOME (LOSS)........	12,339	339	2,662	11,145	96	26,581
PROPERTY, PLANT, AND EQUIPMENT..............	-	-	-	-	3,078	3,078
NET WORKING CAPITAL......	87,827	243,226	63,812	57,757	1,728	454,350
MORTGAGE NOTES AND LOANS RECEIVABLE (NET).......	1,252,510	682,722	173,100	283	0	2,108,615
TOTAL ASSETS.............	1,704,793	1,130,739	312,524	64,174	4,842	3,217,072
BONDS AND OTHER LONG-TERM LIABILITIES..	1,461,362	1,064,354	227,000	34,085	480	2,787,281
TOTAL EQUITY.............	90,387	1,727	36,015	23,955	4,326	156,410

NOTE 38 -- JOINT VENTURE, STATE AUTHORITIES

The State is party to a joint venture with the Canadian government in the operation of the International Bridge at Sault Ste. Marie, Michigan. The bridge is under the control of the International Bridge Authority, which consists of three members representing the State of Michigan and two members representing the Canadian government.

Summary financial information (in thousands) for the authority as of its fiscal year ended August 31, 1983 with comparative information for the fiscal year ended August 31, 1982 is as follows:

	August 31 1983	August 31 1982
Current Assets....................................	$1,257	$ 828
Current Liabilities...............................	398	318
Total Equity......................................	859	510
Total Revenues....................................	2,310	2,226
Total Expenditures................................	1,961	1,389
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses.......................	349	99
Fixed Assets......................................	2,385	2,260
Long-Term Debt (Bonds Payable).....................	7,850	8,201

NOTE 39 -- SUBSEQUENT EVENTS, STATE AUTHORITIES

The State Building Authority (SBA) issued $104.9 million of revenue bonds on February 24, 1984. The proceeds will be used to finance four university projects. The bonds are to be retired, starting in 1987, through 2001, although they may be retired early. The effective annual interest rate is 9.61%. The funding of repayment is similar to that of the other bonds of the SBA.

The Michigan Higher Education Student Loan Authority issued Series VII A revenue bonds on December 14, 1983 in the amount of $25.0 million. The bonds bear interest at 8% and are due on December 1, 1988.

FINANCIAL SECTION

SUPPLEMENTAL FINANCIAL DATA

COMBINING FINANCIAL STATEMENTS

STATE OF MICHIGAN

COMBINING BALANCE SHEET

SPECIAL REVENUE FUNDS - BY CLASSIFICATION

SEPTEMBER 30, 1983

(In Thousands)

	TRANSPORTATION RELATED	CONSERVATION AND RECREATION RELATED	OTHER	TOTALS SEPTEMBER 30, 1983	TOTALS SEPTEMBER 30, 1982
ASSETS					
Current Assets:					
Cash and cash equivalents	$ 96	$ 77	$ 1,726	$ 1,900	$ 2,018
Equity in State Treasurer's Common Cash	347,888	49,074	40,486	437,449	370,972
Taxes, interest, and penalties receivable	50,907	14	117,434	168,356	133,830
Less allowance for uncollectible taxes	(5,395)	-	(27,440)	(32,836)	(18,454)
Less revenue expected to be received more than 12 months after fiscal year end	(53)	-	(2,689)	(2,743)	(2,252)
Amounts due from other funds	28,800	944	9,066	38,811	57,472
Amounts receivable from federal governmental agencies	66,118	2,723	2,630	71,471	52,189
Amounts receivable from local units of government	16,631	21	19,135	35,788	35,011
Inventories	10,997	-	269	11,266	10,250
Other current assets	2,627	6,213	8,994	17,835	15,077
Total Current Assets	518,617	59,069	169,612	747,299	656,116
Amounts due from other funds	-	-	2,576	2,576	2,514
Amounts receivable from local units of government	63,991	-	5,130	69,121	8,361
Security investments -- equities at cost all others at face value less collections on principle	-	-	50,234	50,234	50,234
Security investments -- unamortized premium or discount	-	-	(62)	(62)	(75)
Other noncurrent assets	12,216	389	-	12,606	12,439
Total Assets	$ 594,825	$ 59,459	$ 227,490	$ 881,775	$ 729,589
LIABILITIES AND FUND BALANCES					
Current Liabilities:					
Liability to State Treasurer's Common Cash	$ -	$ 125	$ 122,042	$ 122,168	$ 107,198
Warrants outstanding	9,957	194	1,277	11,430	6,667
Accounts payable and other accrued liabilities	185,021	12,409	15,369	212,800	180,747
Amounts due to other funds	24,119	12	1,865	25,997	46,544
Prize awards payable	-	-	12,945	12,945	12,735
Deferred revenue	4,320	-	2,811	7,132	9,663
Total Current Liabilities	223,419	12,742	156,311	392,473	363,556
Long-Term Liabilities:					
Prize awards payable	-	-	31,104	31,104	30,932
Deferred revenue	12,216	-	1,003	13,220	13,462
Total Liabilities	235,636	12,742	188,419	436,798	407,952
Fund Balances:					
Reserved for encumbrances	196,812	7,433	1,267	205,513	117,534
Other reserves	143,363	35,682	15,223	194,270	174,392
Unreserved	19,012	3,601	22,578	45,192	29,709
Total Fund Balances	359,189	46,717	39,070	444,976	321,637
Total Liabilities and Fund Balances	$ 594,825	$ 59,459	$ 227,490	$ 881,775	$ 729,589

STATE OF MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

SPECIAL REVENUE FUNDS - BY CLASSIFICATION

FISCAL YEAR ENDED SEPTEMBER 30, 1983

(In Thousands)

				TOTALS	
				FISCAL YEAR ENDED	
	TRANSPORTATION RELATED	CONSERVATION AND RECREATION RELATED	OTHER	SEPTEMBER 30, 1983	SEPTEMBER 30, 1982
REVENUES					
Taxes	$ 729,588	$ 2,184	$ 1,095,708	$ 1,827,481	$ 1,710,458
From federal agencies	214,349	2,617	169,923	386,890	349,997
From local agencies	7,185	1	-	7,187	2,805
From services	866	-	-	866	1,141
From licenses and permits	19,101	24,364	3,361	46,827	45,996
Miscellaneous	32,289	20,900	570,141	623,331	635,722
Total Revenues	1,003,381	50,068	1,839,134	2,892,584	2,746,1[illegible]
EXPENDITURES					
Current:					
General government	-	-	344,530	344,530	339,218
Education	-	-	1,711,675	1,711,675	1,654,628
Conservation, recreation, and agriculture	-	4,318	-	4,318	14,660
Labor, commerce, and regulatory	-	-	140,664	140,664	137,068
Transportation	667,677	-	-	667,677	667,038
Capital outlay	237,296	11,600	4	248,902	260,551
Total Expenditures	904,973	15,919	2,196,874	3,117,768	3,073,166
Excess of Revenues over (under) Expenditures	98,408	34,149	(357,740)	(225,183)	(327,045)
OTHER FINANCING SOURCES (USES)					
Proceeds from bond issues	132,186	-	-	132,186	-
Operating transfers in	386,762	9,118	598,461	994,341	1,253,984
Operating transfers out	(484,796)	(50,668)	(237,464)	(772,930)	(980,293)
Total Other Financing Sources (Uses)	34,152	(41,550)	360,996	353,598	273,690
Cumulative Effect of Accounting Change	(3,333)	-	(1,741)	(5,075)	-
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses after Accounting Change	129,227	(7,401)	1,513	123,339	(53,354)
Fund Balances - October 1 - as previously reported	229,962	54,118	35,822	319,903	377,173
Effect of accounting change	-	-	1,733	1,733	(2,181)
Fund Balances - October 1 - restated	229,962	54,118	37,556	321,637	374,991
Fund Balances - September 30	$ 359,189	$ 46,717	$ 39,070	$ 444,976	$ 321,637

STATE OF MICHIGAN

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND ENCUMBRANCES,

AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - (STATUTORY/BUDGETARY BASIS)

SPECIAL REVENUE FUNDS - BY CLASSIFICATION

FISCAL YEAR ENDED SEPTEMBER 30, 1983

(In Thousands)

	TRANSPORTATION RELATED		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes	$ -	$ 729,588	$ -
From federal agencies	-	214,349	-
From local agencies	-	7,185	-
From services	-	866	-
From licenses and permits	-	19,101	-
Miscellaneous	-	32,289	-
Total Revenues	-	1,003,381	-
EXPENDITURES AND ENCUMBRANCES			
Current:			
General government	-	-	-
Education	-	-	-
Conservation, recreation and agriculture	-	-	-
Labor, commerce, and regulatory	-	-	-
Transportation	773,880	713,409	60,471
Capital outlay	444,345	391,622	52,722
Total Expenditures and Encumbrances	1,218,225	1,105,032	113,193
Encumbrances at September 30	-	200,109	-
Total Expenditures	-	904,922	-
Excess of Revenues over (under) Expenditures	-	98,459	-
OTHER FINANCING SOURCES (USES)			
Proceeds from bond issues	-	132,186	-
Operating transfers in	-	386,762	-
Operating transfers out	(495,424)	(484,796)	10,628
Total Other Financing Sources (Uses)	-	34,152	-
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	-	132,612	-
Fund Balances - October 1 - as previously reported	-	229,962	-
Effect of accounting change	-	-	-
Fund Balances - October 1 - restated	-	229,962	-
Fund Balances - September 30	$ -	$ 362,574	$ -

CONSERVATION AND RECREATION RELATED			OTHER			TOTALS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ -	$ 2,184	$ -	$ -	$ 1,095,708	$ -	$ -	$ 1,827,481	$ -
-	2,617	-	-	168,281	-	-	385,248	-
-	1	-	-	-	-	-	7,187	-
-	-	-	-	-	-	-	866	-
-	24,364	-	-	3,361	-	-	46,827	-
-	20,900	-	-	570,408	-	-	623,599	-
-	50,068	-	-	1,837,759	-	-	2,891,210	-
-	-	-	355,396	345,061	10,335	355,396	345,061	10,335
-	-	-	1,711,683	1,711,675	7	1,711,683	1,711,675	7
255	10,855	(10,600)	-	-	-	255	10,855	(10,600)
-	-	-	141,595	141,422	172	141,595	141,422	172
-	-	-	-	-	-	773,880	713,409	60,471
49,108	12,496	36,611	44	4	39	493,497	404,124	89,372
49,363	23,352	26,010	2,208,718	2,198,163	10,555	3,476,307	3,326,548	149,759
-	7,433	-	-	1,267	-	-	208,810	-
-	15,919	-	-	2,196,895	-	-	3,117,737	-
-	34,149	-	-	(359,136)	-	-	(226,527)	-
-	-	-	-	-	-	-	132,186	-
-	9,118	-	-	598,461	-	-	994,341	-
(58,584)	(50,668)	7,915	(240,752)	(237,543)	3,209	(794,761)	(773,008)	21,753
-	(41,550)	-	-	360,917	-	-	353,519	-
-	(7,401)	-	-	1,781	-	-	126,992	-
-	54,118	-	-	38,807	-	-	322,887	-
-	-	-	-	1,733	-	-	1,733	-
-	54,118	-	-	40,540	-	-	324,621	-
$ -	$ 46,717	$ -	$ -	$ 42,322	$ -	$ -	$ 451,613	$ -

STATE OF MICHIGAN

DESCRIPTIONS OF SPECIAL REVENUE FUNDS - TRANSPORTATION RELATED

FISCAL YEAR ENDED SEPTEMBER 30, 1983

STATE AERONAUTICS FUND

This fund, established by P.A. 327 of 1945, is administered by the Department of Transportation for improvement of airports. Its budget is subject to annual legislative review and appropriation. Financing consists mostly of federal and local contributions and aviation fuel taxes. Expenditures and transfers are for administration and local airport improvement project costs.

STATE TRUNKLINE FUND

This fund is administered by the Department of Transportation for construction and maintenance of highways. Its overall budget is subject to annual legislative review and appropriation, but the Transportation Commission has significant discretion in determining the funding of individual projects. Financing consists primarily of a transfer from the Michigan Transportation Fund, federal aid, and local participation. Expenditures and transfers are for administration, highway maintenance and construction, debt service, and various contractual obligations. In accordance with statutory provisions, any unencumbered balance, at fiscal year-end, lapses and reverts to the fund for appropriation in the following fiscal year.

Under an arrangement with the Federal Highway Administration, the department has, over a period of years, qualified a number of construction projects financed from bond issues without placing them under a reimbursement agreement. These deferred federal aid projects may be converted to current reimbursement at the option of the department, to the extent of bond retirement, provided that there are adequate federal aid allocations. This arrangement was worked out between the states and the federal government so that the states could obtain federal reimbursement not received during the construction period, in case a relatively greater amount of federal aid became available at some later date. During the 1982-83 fiscal year $14.0 million was received by the Department of Transportation through the conversion of deferred projects in order to receive the maximum federal funds available.

The State Trunkline Fund also is used to record loans made to local units of government for reconstructing and resurfacing roadways. Funds for such loans are made available by transfer from the 1983 State Trunkline Fund Bond Proceeds Fund. Loan repayments, which are received directly by the State Trunkline Fund, are not pledged to the payment of the bonds related to the loans.

MICHIGAN TRANSPORTATION FUND

This fund, established by P.A. 51 of 1951, Sec. 10, as amended, is administered jointly by the Department of Transportation and the Department of State. In addition, a number of types of revenue are collected by the Department of Treasury. The fund is a receiving fund for the several tax revenues dedicated to highway purposes. Transfers are made to the General Fund to pay the cost of collection of the dedicated revenues and to the State Trunkline Fund, Comprehensive Transportation Fund, and the Michigan State Waterways Fund in accordance with the statutory formulae. Expenditures consist of grants to counties, cities, and villages for highway purposes in accordance with statutory formulae and pursuant to P.A. 5 of 1967 (Extra Session), Sec. 91, to the Mackinac Bridge Authority to apply on payment of principal and interest of the outstanding bonds so bridge tolls can be reduced.

COMPREHENSIVE TRANSPORTATION FUND

The Comprehensive Transportation Fund was created by Public Acts 326, 327, and 328 of 1972 and Public Act 197 of 1973. Further additions and amendments to the laws governing this fund were enacted in 1975, being Public Acts 195, 196, and 239.

The fund, under the direction of the Department of Transportation, was created for the purpose of planning and development of public transportation systems within the State. In accordance with statutory provisions, any unencumbered balance, at fiscal year-end, lapses and reverts to the fund for appropriation in the following fiscal year.

In addition to providing direct expenditures for public transportation purposes, the fund is increasingly being used to provide financing for entities providing bus and rail services. Such financing is provided primarily by purchasing buses and reselling them to private carriers on a credit basis and by purchasing and leasing back rail related assets.

Financing is provided by a transfer from the Michigan Transportation Fund, federal, local, vehicle related sales tax, and aviation related revenues.

STATE OF MICHIGAN

DESCRIPTIONS OF SPECIAL REVENUE FUNDS - TRANSPORTATION RELATED (Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 1983

COMPREHENSIVE TRANSPORTATION BOND CONSTRUCTION FUND

This fund was established pursuant to Section 18(b) of P.A. 51 of 1951, as amended, to account for the proceeds of up to $217 million of comprehensive transportation bonds. The bonds are not general obligations of the State but are payable solely out of funds restricted as to use for comprehensive transportation purposes by Section 9 of Article IX of the Michigan Constitution and irrevocably pledged by law for deposit in the Comprehensive Transportation Fund.

The State Transportation Commission approved issuance of $106.3 million Series A bonds in 1980 and $50 million Series B bonds in 1981. These bonds are used to finance part of the costs of constructing and acquiring comprehensive transportation projects. A majority of these projects, as approved by legislative action, are undertaken to enhance local transportation systems.

1983 STATE TRUNKLINE FUND BOND PROCEEDS FUND

This fund was established pursuant to Section 18(b) of P.A. 51 of 1951, as amended, to account for the proceeds of up to $135 million of state trunkline bonds. The bonds are not general obligations of the State but are payable solely out of funds restricted as to use for State trunkline purposes by Section 9 of Article IX of the Michigan Constitution and irrevocably pledged by law for deposit in the State Trunkline Fund.

The State Transportation Commission approved issuance of $135 million bonds in 1983. These bonds are used in part to finance the costs of reconstructing and resurfacing portions of the State trunkline system. The bonds will also be used to finance loans to local units of government for reconstructing and resurfacing roadways, by a transfer to the State Trunkline Fund where the loans are made and recorded.

STATE OF MICHIGAN

COMBINING BALANCE SHEET

SPECIAL REVENUE FUNDS

(TRANSPORTATION RELATED)

SEPTEMBER 30, 1983

(In Thousands)

	STATE AERONAUTICS FUND	STATE TRUNKLINE FUND	MICHIGAN TRANSPORTATION FUND
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 1	$ 95	$ -
Equity in State Treasurer's Common Cash	5,858	119,633	93,730
Taxes, interest, and penalties receivable	276	-	50,630
Less allowance for uncollectible taxes	(5)	-	(5,390)
Less revenue expected to be received more than 12 months after fiscal year end	-	-	(53)
Amounts due from other funds	164	19,538	2,183
Amounts receivable from federal governmental agencies	10,243	49,751	-
Amounts receivable from local units of government	1,323	14,847	52
Inventories	-	10,997	-
Other current assets:			
Amounts receivable from private carriers	-	-	-
Miscellaneous	43	1,390	148
Total other current assets	43	1,390	148
Total Current Assets	17,905	216,253	141,301
Amounts receivable from local units of government	1,221	62,769	-
Other noncurrent assets:			
Amounts receivable from private carriers	-	-	-
Land contracts outstanding	-	4,839	-
Miscellaneous	-	-	-
Total other noncurrent assets	-	4,839	-
Total Assets	$ 19,126	$ 283,862	$ 141,301
LIABILITIES AND FUND BALANCES			
Current Liabilities:			
Warrants outstanding	$ 237	$ 5,471	$ 2,122
Accounts payable and other accrued liabilities	3,563	53,091	117,592
Amounts due to other funds	47	2,380	21,586
Deferred revenue	1,868	2,452	-
Total Current Liabilities	5,716	63,395	141,301
Long-Term Liabilities:			
Deferred revenue	-	4,839	-
Total Liabilities	5,716	68,235	141,301
Fund Balances:			
Reserved for encumbrances	7,662	133,703	-
Other reserves:			
Reserved for unencumbered restricted revenue balances (except capital outlay)	210	-	-
Reserved for unencumbered capital outlay and work projects	112	19,154	-
Reserved for noncurrent assets	1,223	62,769	-
Reserved for operating balances carried forward	4,201	-	-
Total Other Reserves	5,747	81,923	-
Unreserved	-	-	-
Total Fund Balances	13,410	215,627	-0-
Total Liabilities and Fund Balances	$ 19,126	$ 283,862	$ 141,301

COMPREHENSIVE TRANSPORTATION FUND	COMPREHENSIVE TRANSPORTATION BOND CONSTRUCTION FUND	1983 STATE TRUNKLINE FUND BOND PROCEEDS FUND	TOTALS	
			SEPTEMBER 30, 1983	SEPTEMBER 30, 1982
$ -	$ -	$ -	$ 96	$ 95
29,668	28,928	70,068	347,888	275,927
-	-	-	50,907	39,307
-	-	-	(5,395)	(3,415)
-	-	-	(53)	(181)
4,994	730	1,189	28,800	47,191
6,123	-	-	66,118	45,277
408	-	-	16,631	18,143
-	-	-	10,997	10,167
210	-	-	210	137
779	55	-	2,416	2,484
990	55	-	2,627	2,622
42,185	29,714	71,258	518,617	435,135
-	-	-	63,991	1,170
7,255	-	-	7,255	6,295
-	-	-	4,839	5,088
122	-	-	122	-
7,377	-	-	12,216	11,384
$ 49,562	$ 29,714	$ 71,258	$ 594,825	$ 447,690
$ 616	$ 91	$ 1,419	$ 9,957	$ 4,927
6,006	4,089	677	185,021	155,195
105	-	-	24,119	41,652
-	-	-	4,320	4,568
6,728	4,180	2,096	223,419	206,343
7,377	-	-	12,216	11,384
14,105	4,180	2,096	235,636	217,728
15,656	19,695	20,094	196,812	104,840
126	5,838	13,582	19,757	65,781
661	-	35,484	55,411	48,438
-	-	-	63,993	1,170
-	-	-	4,201	8,774
787	5,838	49,066	143,363	124,164
19,012	-	-	19,012	956
35,456	25,534	69,161	359,189	229,962
$ 49,562	$ 29,714	$ 71,258	$ 594,825	$ 447,690

STATE OF MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

SPECIAL REVENUE FUNDS

(TRANSPORTATION RELATED)

FISCAL YEAR ENDED SEPTEMBER 30, 1983

(In Thousands)

	STATE AERONAUTICS FUND	STATE TRUNKLINE FUND	MICHIGAN TRANSPORTATION FUND
REVENUES			
Taxes	$ 2,542	$ -	$ 702,105
From federal agencies	17,673	187,570	-
From local agencies	4,863	2,314	-
From services	410	61	-
From licenses and permits	69	474	18,540
Miscellaneous	607	16,349	7,191
Total Revenues	26,166	206,770	727,837
EXPENDITURES			
Current:			
Transportation	24,915	18[illegible],711	354,874
Capital outlay	2	235,84[illegible]	-
Total Expenditures	24,917	422,552	354,874
Excess of Revenues over (under) Expenditures	1,249	(215,782)	372,962
OTHER FINANCING SOURCES (USES)			
Proceeds from bond issue	-	-	-
Operating transfers in	572	321,408	230
Operating transfers out	(317)	(27,852)	(375,965)
Total Other Financing Sources (Uses)	255	293,556	(375,735)
Cumulative Effect of Accounting Change	(51)	(3,196)	-
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses After Accounting Change	1,452	74,578	(2,772)
Fund Balances - October 1	11,957	141,048	2,772
Fund Balances - September 30	$ 13,410	$ 215,627	$ -0-

			TOTALS	
			FISCAL YEAR ENDED	
COMPREHENSIVE TRANSPORTATION FUND	COMPREHENSIVE TRANSPORTATION BOND CONSTRUCTION FUND	1983 STATE TRUNKLINE FUND BOND PROCEEDS FUND	SEPTEMBER 30, 1983	SEPTEMBER 30, 1982
$ 24,941	$ -	$ -	$ 729,588	$ 697,568
9,105	-	-	214,349	179,343
-	-	8	7,185	2,804
394	-	-	866	1,141
17	-	-	19,101	18,086
3,731	3,219	1,189	32,289	49,108
38,190	3,219	1,197	1,003,381	948,052
85,748	15,427	-	667,677	667,038
-	-	1,453	237,296	251,355
85,748	15,427	1,453	904,973	918,394
(47,558)	(12,207)	(255)	98,408	29,658
-	-	132,186	132,186	-
64,551	-	-	386,762	611,454
(17,874)	(17)	(62,769)	(484,796)	(704,714)
46,676	(17)	69,417	34,152	(93,259)
(85)	-	-	(3,333)	-
(967)	(12,224)	69,161	129,227	(63,601)
36,423	37,758	-0-	229,962	293,563
$ 35,456	$ 25,534	$ 69,161	$ 359,189	$ 229,962

STATE OF MICHIGAN

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND ENCUMBRANCES,

AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - (STATUTORY/BUDGETARY BASIS)

SPECIAL REVENUE FUNDS

(TRANSPORTATION RELATED)

FISCAL YEAR ENDED SEPTEMBER 30, 1983

(In Thousands)

	STATE AERONAUTICS FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes	$ -	$ 2,542	$ -
From federal agencies	-	17,673	-
From local agencies	-	4,863	-
From services	-	410	-
From licenses and permits	-	69	-
Miscellaneous	-	607	-
Total Revenues	-	26,166	-
EXPENDITURES AND ENCUMBRANCES			
Current:			
Transportation	38,243	32,604	5,639
Capital outlay	139	27	112
Total Expenditures and Encumbrances	38,383	32,632	5,751
Encumbrances at September 30	-	7,717	-
Total Expenditures	-	24,914	-
Excess of Revenues over (under) Expenditures	-	1,252	-
OTHER FINANCING SOURCES (USES)			
Proceeds from bond issues	-	-	-
Operating transfers in	-	572	-
Operating transfers out	(357)	(317)	40
Total Other Financing Sources (Uses)	-	255	-
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	-	1,507	-
Fund Balances - October 1	-	11,957	-
Fund Balances - September 30	$ -	$ 13,465	$ -

STATE TRUNKLINE FUND			MICHIGAN TRANSPORTATION FUND			COMPREHENSIVE TRANSPORTATION FUND		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ -	$ -	$ -	$ -	$ 702,105	$ -	$ -	$ 24,941	$ -
-	187,570	-	-	-	-	-	9,105	-
-	2,314	-	-	-	-	-	-	-
-	61	-	-	-	-	-	394	-
-	474	-	-	18,540	-	-	17	-
-	16,349	-	-	7,191	-	-	3,731	-
-	206,770	-	-	727,837	-	-	38,190	-
212,843	189,404	23,439	359,091	354,874	4,216	122,740	101,402	21,338
388,121	370,047	18,073	-	-	-	-	-	-
600,964	559,452	41,512	359,091	354,874	4,216	122,740	101,402	21,338
-	136,945	-	-	-	-	-	15,656	-
-	422,506	-	-	354,874	-	-	85,746	-
-	(215,736)	-	-	372,962	-	-	(47,555)	-
-	-	-	-	-	-	-	-	-
-	321,408	-	-	230	-	-	64,551	-
(28,322)	(27,852)	470	(382,445)	(375,965)	6,480	(21,511)	(17,874)	3,636
-	293,556	-	-	(375,735)	-	-	46,676	-
-	77,820	-	-	(2,772)	-	-	(879)	-
-	141,048	-	-	2,772	-	-	36,423	-
$ -	$ 218,869	$ -	$ -	$ -0-	$ -	$ -	$ 35,544	$ -

STATE OF MICHIGAN

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND ENCUMBRANCES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - (STATUTORY/BUDGETARY BASIS)

SPECIAL REVENUE FUNDS (Continued)

(TRANSPORTATION RELATED)

FISCAL YEAR ENDED SEPTEMBER 30, 1983

(In Thousands)

	COMPREHENSIVE TRANSPORTATION BOND CONSTRUCTION FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes	$ -	$ -	$ -
From federal agencies	-	-	-
From local agencies	-	-	-
From services	-	-	-
From licenses and permits	-	-	-
Miscellaneous	-	3,219	-
Total Revenues	-	3,219	-
EXPENDITURES AND ENCUMBRANCES			
Current:			
Transportation	40,961	35,122	5,838
Capital outlay	-	-	-
Total Expenditures and Encumbrances	40,961	35,122	5,838
Encumbrances at September 30	-	19,695	-
Total Expenditures	-	15,427	-
Excess of Revenues over (under) Expenditures	-	(12,207)	-
OTHER FINANCING SOURCES (USES)			
Proceeds from bond issues	-	-	-
Operating transfers in	-	-	-
Operating transfers out	(17)	(17)	-
Total Other Financing Sources (Uses)	-	(17)	-
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	-	(12,224)	-
Fund Balances - October 1	-	37,758	-
Fund Balances - September 30	$ -	$ 25,534	$ -

1983 STATE TRUNKLINE FUND BOND PROCEEDS FUND			TOTALS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ -	$ -	$ -	$ -	$ 729,588	$ -
-	-	-	-	214,349	-
-	8	-	-	7,185	-
-	-	-	-	866	-
-	-	-	-	19,101	-
-	1,189	-	-	32,289	-
-	1,197	-	-	1,003,381	-
-	-	-	773,880	713,409	60,471
56,083	21,547	34,536	444,345	391,622	52,722
56,083	21,547	34,536	1,218,225	1,105,032	113,193
-	20,094	-	-	200,109	-
-	1,453	-	-	904,922	-
-	(255)	-	-	98,459	-
-	132,186	-	-	132,186	-
-	-	-	-	386,762	-
(62,769)	(62,769)	-	(495,424)	(484,796)	10,628
-	69,417	-	-	34,152	-
-	69,161	-	-	132,612	-
-	-0-	-	-	229,962	-
$ -	$ 69,161	$ -	$ -	$ 362,574	$ -

STATE OF MICHIGAN

DESCRIPTIONS OF SPECIAL REVENUE FUNDS - CONSERVATION AND RECREATION RELATED

FISCAL YEAR ENDED SEPTEMBER 30, 1983

GAME AND FISH PROTECTION FUND

This fund was established by P.A. 17 of 1921. It is financed principally from hunting and fishing license fees whose purpose is to support the conservation program for preservation and control of fish and wildlife. Added revenues arise from the sale of oil and gas leases and subsequent royalties on land acquired by the fund. Activity in this fund consists primarily of transfers to the General Fund to finance appropriations made in the General Fund for game and fish related activities.

In addition, this fund, under provisions of P.A. 91 of 1925 as amended, makes grants through the General Fund to counties as payment in lieu of taxes on certain State owned real property purchased from this fund.

MICHIGAN STATE WATERWAYS FUND

This fund was established by P.A. 320 of 1947 and is financed primarily from watercraft registration taxes and gasoline taxes. P.A. 303 of 1967, as amended by P.A. 153 of 1974, stipulates that 25% of watercraft registration taxes are revenue to the Michigan State Waterways Fund. P.A. 328 of 1972 provides that 1.023% of all State-imposed taxes collected on the sale of gasoline shall be credited to the Michigan State Waterways Fund after deducting collection costs and refunds.

These revenues are directed primarily toward improvement of lake harbors, docking facilities, and inland waterways. All Michigan State Waterways Fund expenditures, other than capital outlay, are recorded in the General Fund and are financed by transfers from the Michigan State Waterways Fund.

MARINE SAFETY FUND

This fund was established by P.A. 303 of 1967 and is financed principally by 75% of watercraft registration taxes imposed by this act. Amendatory Act 153 of 1974 provided a graduated watercraft registration tax based upon the length of a vessel or motorboat. Activities of this fund consist solely of transfers to the General Fund and the Michigan State Waterways Fund for water safety education programs, law enforcement, and establishment of regulations for the operation of watercraft on the waters of this State.

STATE PARK IMPROVEMENT FUND

This fund was established by P.A. 149 of 1960 as amended, and is financed mainly by the proceeds of an authorized $20 million revenue dedicated bond issue and from State park permit fees necessary for entry by motor vehicle into designated State parks.

The resources of this fund are subject to appropriations by the Legislature for operation, the acquisition of land, construction, development, and improvement of State parks.

STATE RECREATIONAL LAND ACQUISITION TRUST FUND

This fund was established by P.A. 204 of 1976 as amended, and is administered by the Department of Natural Resources. Previous to 1981-82, except for specified exceptions, all bonus, rentals, and royalties derived from mineral interests in all mineral, coal, oil, and gas owned by the State were credited to the fund for future purchases of land for hunting or fishing and other recreational purposes, administrative expenditures, and for the payment of any taxes owed by the State on the land. P.A. 165 of 1982 amended P.A. 204 of 1976 by providing for periodic distributions of specified amounts to the State Economic Development Authority. P.A. 327 of 1982 revised this by requiring that from its December 13, 1982 effective date through September 30, 2032, these mineral interests be credited to the Heritage Trust Fund, which is an agency fund created by P.A. 328 of 1982. That fund makes the mandated distributions to the Economic Development Authority and transfers excess revenues to the State Recreational Land Acquisition Trust Fund to finance the expenditures originally specified in P.A. 204.

STATE OF MICHIGAN

DESCRIPTIONS OF SPECIAL REVENUE FUNDS - CONSERVATION AND RECREATION RELATED (Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 1983

WATER POLLUTION CONTROL BOND FUND

This fund was established by P.A. 329 of 1966 to account for the proceeds of $335.0 million of general obligation bonds approved by the people in November, 1968, for the prevention and abatement of water pollution. This approval was obtained under the general authority of Section 15, Article IX, of the 1963 Constitution and P.A. 76 of 1968. To date, $302.0 million in bonds have been sold, with $32.0 million accounted for in the State Sewer Construction Fund as explained in its fund description below. An additional sale of $33.0 million is expected during 1983-84.

The proceeds of these bonds are used to assist local units of government in financing construction of facilities for treatment of sewage and other liquid wastes.

P.A. 215 of 1972 requires that this fund receive any unencumbered balance of the State Sewer Construction Fund's $32.0 million portion of the bond issue. During 1981-82 it received $1.6 million, the only such transfer made to date.

STATE SEWER CONSTRUCTION FUND

This fund was established by P.A. 159 of 1969 to account for the proceeds of general obligation bonds approved by the people in November, 1968, for the prevention and abatement of water pollution. Bonds totalling $32.0 million have been sold, with no new offerings planned.

Expenditures are made from this fund for grants awarded between 1969 and 1972 to local units of government for construction of collecting sewers to prevent the discharge of untreated or inadequately treated sewage or other liquid wastes that enter the waters of the State.

P.A. 215 of 1972 provides for the transfer to the Water Pollution Control Bond Fund of any unencumbered balance of this fund's bond proceeds. $1.6 million was transferred during 1981-82.

HAZARDOUS WASTE MANAGEMENT FUND

The Hazardous Waste Management Fund was established by P.A. 64 of 1979. It accounted for the fees collected under the authority of the act for financing the licensing and regulation of hazardous waste disposal facility operations.

P.A. 486 of 1982 amended that act by eliminating the authority for fee collection, by ordering refunds of previously collected fees, and by requiring the elimination of the fund. Because of the time required to identify and locate those parties who had originally paid fees to waste facility operators, refunds were not made during 1982-83 but are expected to be made during 1983-84.

STATE OF MICHIGAN

COMBINING BALANCE SHEET

SPECIAL REVENUE FUNDS

(CONSERVATION AND RECREATION RELATED)

SEPTEMBER 30, 1983

(In Thousands)

	GAME AND FISH PROTECTION FUND	MICHIGAN STATE WATERWAYS FUND	MARINE SAFETY FUND
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 75	$ 1	$ -
Equity in State Treasurer's Common Cash	4,385	1,444	-
Taxes, interest, and penalties receivable	-	14	-
Amounts due from other funds	22	-	-
Amounts receivable from federal governmental agencies	1,391	-	434
Amounts receivable from local units of government	21	-	-
Other current assets:			
Miscellaneous	5,575	-	-
Total other current assets	5,575	-	-
Total Current Assets	11,472	1,460	434
Noncurrent assets	-	-	-
Total Assets	$ 11,472	$ 1,460	$ 434
LIABILITIES AND FUND BALANCES			
Current Liabilities:			
Liability to State Treasurer's Common Cash	$ -	$ -	$ 125
Warrants outstanding	137	15	-
Accounts payable and other accrued liabilities	205	77	-
Amounts due to other funds	-	-	11
Total Current Liabilities	343	93	137
Total Liabilities	343	93	137
Fund Balances:			
Reserved for encumbrances	229	83	-
Other reserves:			
Reserved for unencumbered restricted revenue balances (except capital outlay)	1,964	26	-
Reserved for unencumbered capital outlay	2,750	1,378	-
Reserved for noncurrent assets	-	-	-
Total other reserves	4,714	1,404	-
Unreserved (deficit)	6,183	(120)	296
Total Fund Balances (Deficit)	11,128	1,367	296
Total Liabilities and Fund Balances	$ 11,472	$ 1,460	$ 434

STATE PARK IMPROVEMENT FUND	STATE RECREATIONAL LAND ACQUISITION TRUST FUND	WATER POLLUTION CONTROL BOND FUND	STATE SEWER CONSTRUCTION FUND	HAZARDOUS WASTE MANAGEMENT FUND	TOTALS	
					SEPTEMBER 30, 1983	SEPTEMBER 30, 1982
$ -	$ -	$ -	$ -	$ -	$ 77	$ 160
5,953	36,209	194	8	879	49,074	56,548
-	-	-	-	-	14	-
47	875	-	-	-	944	1,422
-	896	-	-	-	2,723	1,867
-	-	-	-	-	21	27
-	637	-	-	-	6,213	6,348
-	637	-	-	-	6,213	6,348
6,000	38,619	194	8	879	59,069	66,375
-	389	-	-	-	389	1,055
$ 6,000	$ 39,009	$ 194	$ 8	$ 879	$ 59,459	$ 67,430
$ -	$ -	$ -	$ -	$ -	$ 125	$ -
15	26	-	-	-	194	510
132	30	11,084	-	879	12,409	9,799
-	-	-	-	-	12	3,002
147	56	11,084	-	879	12,742	13,312
147	56	11,084	-	879	12,742	13,312
582	-	6,528	8	-	7,433	12,100
-	2,397	-	-	-	4,388	7,772
2,458	24,317	-	-	-	30,904	19,134
-	389	-	-	-	389	1,055
2,458	27,104	-	-	-	35,682	27,961
2,811	11,848	(17,418)	-	-	3,601	14,056
5,852	38,952	(10,890)	8	-0-	46,717	54,118
$ 6,000	$ 39,009	$ 194	$ 8	$ 879	$ 59,459	$ 67,430

STATE OF MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

SPECIAL REVENUE FUNDS

(CONSERVATION AND RECREATION RELATED)

FISCAL YEAR ENDED SEPTEMBER 30, 1983

(In Thousands)

	GAME AND FISH PROTECTION FUND	MICHIGAN STATE WATERWAYS FUND	MARINE SAFETY FUND	STATE PARK IMPROVEMENT FUND
REVENUES				
Taxes	$ -	$ 622	$ 1,561	$ -
From federal agencies	1,960	11	434	116
From local agencies	-	-	1	-
From licenses and permits	24,345	19	-	-
Miscellaneous	7,012	1,022	-	402
Total Revenues	33,318	1,676	1,997	519
EXPENDITURES				
Current:				
Conservation, recreation, and agriculture	3	215	10	-
Capital outlay	1,952	2,130	-	2,246
Total Expenditures	1,956	2,345	10	2,246
Excess of Revenues over (under) Expenditures	31,361	(669)	1,987	(1,726)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	11	4,485	-	4,550
Operating transfers out	(33,908)	(5,498)	(2,811)	(4,718)
Total Other Financing Sources (Uses)	(33,896)	(1,013)	(2,811)	(168)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	(2,534)	(1,682)	(824)	(1,895)
Fund Balances (Deficit) - October 1	13,663	3,050	1,121	7,748
Fund Balances (Deficit) - September 30	$ 11,128	$ 1,367	$ 296	$ 5,852

STATE RECREATIONAL LAND ACQUISITION TRUST FUND	WATER POLLUTION CONTROL BOND FUND	STATE SEWER CONSTRUCTION FUND	TOTALS	
			FISCAL YEAR ENDED	
			SEPTEMBER 30, 1983	SEPTEMBER 30, 1982
$ -	$ -	$ -	$ 2,184	$ 2,068
94	-	-	2,617	5,224
-	-	-	1	-
-	-	-	24,364	25,357
12,462	-	-	20,900	46,429
12,557	-	-	50,068	79,081
-	4,088	-	4,318	14,660
5,272	-	-	11,600	9,132
5,272	4,088	-	15,919	23,793
7,285	(4,088)	-	34,149	55,287
71	-	-	9,118	7,826
(3,732)	-	-	(50,668)	(56,217)
(3,660)	-	-	(41,550)	(48,390)
3,624	(4,088)	-	(7,401)	6,897
35,328	(6,801)	8	54,118	47,221
$ 38,952	$ (10,890)	$ 8	$ 46,717	$ 54,118

STATE OF MICHIGAN

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND ENCUMBRANCES,

AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - (STATUTORY/BUDGETARY BASIS)

SPECIAL REVENUE FUNDS

(CONSERVATION AND RECREATION RELATED)

FISCAL YEAR ENDED SEPTEMBER 30, 1983

(In Thousands)

	GAME AND FISH PROTECTION FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes	$ -	$ -	$ -
From federal agencies	-	1,960	-
From local agencies	-	-	-
From licenses and permits	-	24,345	-
Miscellaneous	-	7,012	-
Total Revenues	-	33,318	-
EXPENDITURES AND ENCUMBRANCES			
Current:			
Conservation, recreation, and agriculture	3	3	-
Capital outlay	5,990	2,182	3,808
Total Expenditures and Encumbrances	5,994	2,186	3,808
Encumbrances at September 30	-	229	-
Total Expenditures	-	1,956	-
Excess of Revenues over (under) Expenditures	-	31,361	-
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	11	-
Operating transfers out	(40,639)	(33,908)	6,731
Total Other Financing Sources (Uses)	-	(33,896)	-
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	-	(2,534)	-
Fund Balances (Deficit) - October 1	-	13,663	-
Fund Balances (Deficit) - September 30	$ -	$ 11,128	$ -

MICHIGAN STATE WATERWAYS FUND			MARINE SAFETY FUND			STATE PARK IMPROVEMENT FUND		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ -	$ 622	$ -	$ -	$ 1,561	$ -	$ -	$ -	$ -
-	11	-	-	434	-	-	116	-
-	-	-	-	1	-	-	-	-
-	19	-	-	-	-	-	-	-
-	1,022	-	-	-	-	-	402	-
-	1,676	-	-	1,997	-	-	519	-
242	215	26	-	10	(10)	-	-	-
5,578	2,213	3,364	-	-	-	5,330	2,828	2,501
5,820	2,429	3,391	-	10	(10)	5,330	2,828	2,501
-	83	-	-	-	-	-	582	-
-	2,345	-	-	10	-	-	2,246	-
-	(669)	-	-	1,987	-	-	(1,726)	-
-	4,485	-	-	-	-	-	4,550	-
(6,247)	(5,498)	749	(3,061)	(2,811)	249	(4,862)	(4,718)	144
-	(1,013)	-	-	(2,811)	-	-	(168)	-
-	(1,682)	-	-	(824)	-	-	(1,895)	-
-	3,050	-	-	1,121	-	-	7,748	-
$ -	$ 1,367	$ -	$ -	$ 296	$ -	$ -	$ 5,852	$ -

STATE OF MICHIGAN

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND ENCUMBRANCES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - (STATUTORY/BUDGETARY BASIS)

SPECIAL REVENUE FUNDS (Continued)

(CONSERVATION AND RECREATION RELATED)

FISCAL YEAR ENDED SEPTEMBER 30, 1983

(In Thousands)

	STATE RECREATIONAL LAND ACQUISITION TRUST FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes	$ -	$ -	$ -
From federal agencies	-	94	-
From local agencies	-	-	
From licenses and permits	-	-	-
Miscellaneous	-	12,462	-
Total Revenues	-	12,557	-
EXPENDITURES AND ENCUMBRANCES			
Current:			
Conservation, recreation, and agriculture	-	-	-
Capital outlay	32,208	5,272	26,936
Total Expenditures and Encumbrances	32,208	5,272	26,936
Encumbrances at September 30	-	-	-
Total Expenditures	-	5,272	-
Excess of Revenues over (under) Expenditures	-	7,285	-
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	71	-
Operating transfers out	(3,773)	(3,732)	40
Total Other Financing Sources (Uses)	-	(3,660)	-
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	-	3,624	-
Fund Balances (Deficit) - October 1	-	35,328	-
Fund Balances (Deficit) - September 30	$ -	$ 38,952	$ -

WATER POLLUTION CONTROL BOND FUND			STATE SEWER CONSTRUCTION FUND			TOTALS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,184	$ -
-	-	-	-	-	-	-	2,617	-
-	-	-	-	-	-	-	1	-
-	-	-	-	-	-	-	24,364	-
-	-	-	-	-	-	-	20,900	-
-	-	-	-	-	-	-	50,068	-
-	10,617	(10,617)	8	8	-	255	10,855	(10,600)
-	-	-	-	-	-	49,108	12,496	36,611
-	10,617	(10,617)	8	8	-	49,363	23,352	26,010
-	6,528	-	-	8	-	-	7,433	-
-	4,088	-	-	-	-	-	15,919	-
-	(4,088)	-	-	-	-	-	34,149	-
-	-	-	-	-	-	-	9,118	-
-	-	-	-	-	-	(58,584)	(50,668)	7,915
-	-	-	-	-	-	-	(41,550)	-
-	(4,088)	-	-	-	-	-	(7,401)	-
-	(6,801)	-	-	8	-	-	54,118	-
$ -	$ (10,890)	$ -	$ -	$ 8	$ -	$ -	$ 46,717	$ -

STATE OF MICHIGAN

DESCRIPTIONS OF SPECIAL REVENUE FUNDS - OTHER

FISCAL YEAR ENDED SEPTEMBER 30, 1983

COUNTER-CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND

This fund was created by P.A. 76 of 1977 to assist in stabilizing revenue and employment during periods of economic recession and high unemployment. In general, transfers are made from the General Fund during improving economic times. Funds flow from this fund to the General Fund in time of declining economy.

Amounts transferred to the fund are limited to actual appropriations made annually by the Legislature. Such appropriations may be based on a formula that is dependent on the annual growth rate as defined by the statute.

Transfers from the fund are based upon a formula which is dependent upon unemployment rates; however, under certain conditions the Legislature may override the formula and make appropriations from the fund. In the event that the fund balance at year end exceeds 25% of the actual General Fund general purpose revenue for the fiscal year, the law provides that the excess be rebated on the individual income tax returns filed in the following fiscal year.

The fund has no balances when reported in accordance with generally accepted accounting principles (G.A.A.P.) and therefore, there are no G.A.A.P. based statements in this report.

MICHIGAN EMPLOYMENT SECURITY ACT -- ADMINISTRATION FUND

This fund was created by P.A. 1 of 1936 (Extra Session). The fund derives practically all of its revenue from federal grants. The Legislature does not review the budget for this activity. As its name indicates, the administrative costs of this operation are accounted for in this fund.

Unemployment benefit payments to individuals are made directly by the agency from trust funds accumulated from employer premium payments. These activities are not reflected in the annual financial report. This activity is discussed in more detail in the footnote on the reporting entity.

MICHIGAN VETERANS' BENEFIT (TRUST) FUND

This fund was created by P.A. 9 of 1946 (First Extra Session). The purpose of the fund is to account for the earnings of the fund, consisting primarily of interest earned on a $50.0 million trust corpus, and the distribution of such earnings to veterans and their beneficiaries for various assistance programs and for the administrative costs of the fund. The trust corpus has, by statute, periodically been transferred (in 1959 and 1976) to the General Fund. The statutes authorizing these transfers have provided for an annual repayment schedule from the General Fund so that the principal is restored and the annual operating needs of the trust fund are met. The fund is administered by a six member board of trustees.

SCHOOL AID FUND

This fund was created in 1955 by an amendment to the 1908 Constitution. Its continued existence was provided for by the 1963 Constitution. Its purpose is to furnish aid to school districts and school employees' retirement. Financing is provided by the constitutional dedication of sixty percent of total State sales tax revenue and statutory levies of a one mill cigarette tax and a four percent liquor excise tax, and an annual transfer from the General Fund, and as of May 13, 1981 a transfer from the State Lottery Fund equal to the net revenue remaining after allocation for prize awards and encumbrances. Payments of aid to school districts are based on a statutory formula which provides that if dedicated tax revenues are not sufficient, the deficiency is to be appropriated from the Genral Fund.

MOTOR VEHICLE ACCIDENT CLAIMS FUND

The Motor Vehicle Accident Claims Fund, established by P.A. 198 of 1965, was financed by a $45 fee for uninsured motor vehicles. The purpose of this fund has been diminished by P.A. 294 of 1972. This act implemented "no fault" insurance in Michigan and requires that the owner of each motor vehicle registered in Michigan be covered by the insurance specified in the act. Since October 1, 1973, the effective date of this act, the $45 fee for uninsured motorists has not been collected.

MOTOR VEHICLE ACCIDENT CLAIMS FUND (Continued)

Currently, revenues are derived from installment repayments by uninsured motorists for claims and/or court judgments and from interest earnings. Claim settlements and administrative costs are appropriated in the General Fund where they are incorporated in the Department of State's budget. Transfers are made from the Motor Vehicle Accident Claims Fund to the General Fund to defray the cost of claims and administration.

Claims which have been settled but unreimbursed by uninsured motorists found at fault amounted to $27.1 million at September 30, 1983. Of this amount, approximately $21.7 million is anticipated to be uncollectable. Because of the poor history of recoveries of such settlements this amount has not been reflected in the financial statements by the recognition of revenue and the corresponding amount receivable.

STATE CAMPAIGN FUND

This fund was established by P.A. 388 of 1976, known as the "Michigan Fair Campaign Finance Reporting Act." Under certain provisions of this act public financing is available to provide assistance to candidates participating in the gubernatorial campaign. The resources of this fund are derived by taxpayer designation on the annual State income tax return. The amount that a taxpayer may designate and the distribution formula to candidates are specified in the act.

While taxpayer designations may be made each tax year, distributions to candidates are made only in gubernatorial election years. Unexpended balances shall be credited to the General Fund after the election for which the monies were received.

SAFETY EDUCATION AND TRAINING FUND

This fund was established by P.A. 24 of 1977 under the jurisdiction of the Department of Labor. P.A. 24 imposes an annual levy on each insurance carrier licensed to do workers' disability compensation business in the State, from the State Accident Fund, and from each self-insured employer. The act provides for deposit of these assessments in the Safety Education and Training Fund to finance the Safety Education and Training Division of the Department of Labor. These funds shall be annually appropriated by the Legislature for operations.

VIETNAM VETERAN ERA BONUS FUND

This fund was established by P.A. 370 of 1974, as amended, to account for the proceeds of $205 million authorized general obligation bonds approved by the people in November, 1974, to provide a service bonus to veterans, or their beneficiaries, who served in the armed forces of the United States between January 1, 1961 and September 1, 1973. Applications for benefits under this act were to be filed or received before September 30, 1980. Administrative costs for processing all bonus payments are in the General Fund.

SCHOOL BOND LOAN FUND

The 1963 Constitution (Art. IX, Sec. 16) and P.A. 74 of 1955 authorized the issuance of State bonds to provide funds for making loans to school districts for the payment of principal and interest on school bonds under prescribed circumstances. The proceeds of State borrowing are credited to the School Bond Loan Fund and loans to school districts are made from the fund.

STATE CONSTRUCTION CODE FUND

The State Construction Code Fund was created by P.A. 371 of 1980. Fees established by the Director of the Department of Labor, as approved by the Construction Code Commission, for acts and services performed by the commission are deposited in the fund. The fees are appropriated by the Legislature for the operation of the bureau of construction codes and related indirect overhead expenditures in the department.

CHILDREN'S TRUST FUND

The Children's Trust Fund was established by P.A. 249 of 1982 to support the State Child Abuse and Neglect Prevention Board. Established under P.A. 250 of 1982, the purpose of the board is to coordinate and fund child abuse and neglect prevention activities in the State.

Funding is derived from taxpayer designation of a portion of the tax refund on the individual's income tax return and from gifts. When the total assets of the fund exceed $20 million, the earnings credited to the fund will be available for disbursement. Until that time, the amount available for disbursement is limited to 1/2 of the current collections and the earnings credited to the fund in the previous year.

MICHIGAN JUSTICE TRAINING FUND

The Michigan Justice Training Fund was created by P.A. 302 of 1982 to support the activites of the Michigan Justice Training Commission. The Commission distributes funds to governmental units, including the Michigan Department of State Police, to provide for criminal justice training of police officers. Funds are derived by an assessment on certain civil infractions. The act states that the Commission and fund will cease to exist as of October 12, 1987.

CONSTRUCTION LIEN RECOVERY FUND

The Construction Lien Recovery Fund was established by P.A. 497 of 1980 to allow contractors, subcontractors, suppliers, and laborers to collect payments for work done if they have not been paid despite filing a residential lien. The fund is self-sustaining and is financed by fees assessed on builders, electrical and plumbing contractors, and laborers.

STATE LOTTERY FUND

P.A. 239 of 1972 established the State Lottery Fund and created a Bureau of State Lottery under authority of Section 4 of Article V of the State Constitution. This authority expired on August 1, 1974, at which time the Bureau became an organizational entity in the Department of Management and Budget.

Lottery Fund revenue is generated primarily by the sale of lottery tickets. P.A. 239 of 1972 requires that, as nearly as practicable, 45% of gross ticket sales be allocated for prize awards. Prizes awarded fall into two classifications, those which are paid in one lump sum and those which are paid on an installment basis. The bulk of prizes awarded are of the lump sum payment type. The installment payments involve an initial payment with the balance spread over more than one year. The deferred payments are recorded at the present value of the future payments discounted at a rate of 6%. The discount is amortized against income over the installment term. The State Treasurer invests funds equivalent to the discounted value of installment payments and the Lottery Fund is credited with the interest earnings. As of May 13, 1981, the net revenue remaining from the sale of lottery tickets after allocation for prize awards and encumbrances is transferred to the School Aid Fund. Prior to that date the net revenue was transferred to the General Fund. Net revenue remaining from the operation of licensing and regulating bingo, other forms of gambling and charity games is transferred to the General Fund.

Revenues from the sale of subscription tickets are recognized in the period during which the related drawings are held. Revenue from the sale of other lottery tickets, commissions to agents and banks, and allocation of revenue to the prize reserve are recognized in the period during which the tickets are sold. Prize awards are transferred to the obligation account from the prize reserve when the drawings are held. Other operating expenditures are recognized in the period during which the expenditure is incurred.

STATE OF MICHIGAN

COMBINING BALANCE SHEET

SPECIAL REVENUE FUNDS

(OTHER)

SEPTEMBER 30, 1983

(In Thousands)

	MICHIGAN EMPLOYMENT SECURITY ACT ADMS. FUND	MICHIGAN VETERANS' BENEFIT (TRUST) FUND	SCHOOL AID FUND
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 53	$ 1	$ -
Equity in State Treasurer's Common Cash	9,486	10,613	-
Taxes, interest, and penalties receivable	-	-	117,434
Less allowance for uncollectible taxes	-	-	(27,440)
Less revenue expected to be received more than 12 months after fiscal year end	-	-	(2,689)
Amounts due from other funds	-	406	8,454
Amounts receivable from federal governmental agencies	2,601	-	28
Amounts receivable from local units of government	-	579	18,555
Inventories	-	-	-
Other current assets:			
Miscellaneous	323	67	-
Total other current assets	323	67	-
Total Current Assets	12,464	11,667	114,343
Amounts due from other funds	-	2,576	-
Amounts receivable from local units of government	-	-	5,130
Security investments -- equities at cost all others at face value less collections on principal	-	-	-
Security investments -- unamortized premium or discount	-	-	-
Total Assets	$ 12,464	$ 14,243	$ 119,473
LIABILITIES AND FUND BALANCES			
Current Liabilities:			
Liability to State Treasurer's Common Cash	$ -	$ -	$ 113,402
Warrants outstanding	482	9	351
Accounts payable and other accrued liabilities	8,313	348	589
Amounts due to other funds	1,784	-	-
Prize awards payable	-	-	-
Deferred revenue	910	-	-
Total Current Liabilities	11,490	357	114,343
Long-Term Liabilities:			
Prize awards payable	-	-	-
Deferred revenue	-	-	1,003
Total Liabilities	11,490	357	115,347
Fund Balances:			
Reserved for encumbrances	735	-	-
Other reserves:			
Reserved for unencumbered restricted revenue balances (except capital outlay)	199	712	-
Reserved for unencumbered capital outlay and work projects	39	-	-
Reserved for noncurrent assets	-	2,576	4,126
Reserved for prize awards	-	-	-
Total other reserves	238	3,288	4,126
Unreserved	-	10,597	-
Total Fund Balances	973	13,886	4,126
Total Liabilities and Fund Balances	$ 12,464	$ 14,243	$ 119,473

MOTOR VEHICLE ACCIDENT CLAIMS FUND	STATE CAMPAIGN FUND	SAFETY EDUCATION AND TRAINING FUND	VIETNAM VETERAN ERA BONUS FUND
$ 50	$ -	$ 7	$ -
1,336	61	5,917	1,669
-	-	-	-
-	-	-	-
-	-	-	-
15	-	130	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	108	-
-	-	108	-
1,401	61	6,163	1,669
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
$ 1,401	$ 61	$ 6,163	$ 1,669
$ -	$ -	$ -	$ -
-	-	1	6
-	61	1	1,200
-	-	-	-
-	-	-	-
-	-	-	-
-	61	2	1,206
-	-	-	-
-	-	-	-
-	61	2	1,206
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1,401	-	6,160	462
1,401	-0-	6,160	462
$ 1,401	$ 61	$ 6,163	$ 1,669

STATE OF MICHIGAN

COMBINING BALANCE SHEET

SPECIAL REVENUE FUNDS (Continued)

(OTHER)

SEPTEMBER 30, 1983

(In Thousands)

	SCHOOL BOND LOAN FUND	STATE CONSTRUCTION CODE FUND	CHILDREN'S TRUST FUND
ASSETS			
Current Assets:			
Cash and cash equivalents	$ -	$ 9	$ -
Equity in State Treasurer's Common Cash	5,110	365	647
Taxes, interest, and penalties receivable	-	-	-
Less allowance for uncollectible taxes	-	-	-
Less revenue expected to be received more than 12 months after fiscal year end	-	-	-
Amounts due from other funds	-	5	13
Amounts receivable from federal governmental agencies	-	-	-
Amounts receivable from local units of government	-	-	-
Inventories	-	-	-
Other current assets:			
Miscellaneous	-	26	-
Total other current assets	-	26	-
Total Current Assets	5,110	407	660
Amounts due from other funds	-	-	-
Amounts receivable from local units of government	-	-	-
Security investments -- equities at cost all others at face value less collections on principal	-	-	-
Security investments -- unamortized premium or discount	-	-	-
Total Assets	$ 5,110	$ 407	$ 660
LIABILITIES AND FUND BALANCES			
Current Liabilities:			
Liability to State Treasurer's Common Cash	$ -	$ -	$ -
Warrants outstanding	-	2	1
Accounts payable and other accrued liabilities	-	2	5
Amounts due to other funds	-	-	1
Prize awards payable	-	-	-
Deferred revenue	-	-	-
Total Current Liabilities	-	4	7
Long-Term Liabilities:			
Prize awards payable	-	-	-
Deferred revenue	-	-	-
Total Liabilities	-	4	7
Fund Balances:			
Reserved for encumbrances	-	-	4
Other reserves:			
Reserved for unencumbered restricted revenue balances (except capital outlay)	5,110	-	629
Reserved for unencumbered capital outlay and work projects	-	-	-
Reserved for noncurrent assets	-	-	-
Reserved for prize awards	-	-	-
Total other reserves	5,110	-	629
Unreserved	-	402	19
Total Fund Balances	5,110	402	653
Total Liabilities and Fund Balances	$ 5,110	$ 407	$ 660

MICHIGAN JUSTICE TRAINING FUND	CONSTRUCTION LIEN RECOVERY FUND	STATE LOTTERY FUND	TOTALS SEPTEMBER 30, 1983	TOTALS SEPTEMBER 30, 1982
$ -	$ 1	$ 1,603	$ 1,726	$ 1,762
3,288	1,989	-	40,486	38,495
-	-	-	117,434	94,523
-	-	-	(27,440)	(15,038)
-	-	-	(2,689)	(2,071)
-	40	-	9,066	8,858
-	-	-	2,630	5,045
-	-	-	19,135	16,840
-	-	269	269	82
534	-	7,934	8,994	6,105
534	-	7,934	8,994	6,105
3,822	2,031	9,807	169,612	154,604
-	-	-	2,576	2,514
-	-	-	5,130	7,190
-	-	50,234	50,234	50,234
-	-	(62)	(62)	(75)
$ 3,822	$ 2,031	$ 59,979	$ 227,490	$ 214,468
$ -	$ -	$ 8,639	$ 122,042	$ 107,198
-	-	423	1,277	1,229
2,319	-	2,527	15,369	15,752
-	-	79	1,865	1,890
-	-	12,945	12,945	12,735
-	-	1,901	2,811	5,094
2,319	-	26,516	156,311	143,900
-	-	31,104	31,104	30,932
-	-	-	1,003	2,078
2,319	-	57,621	188,419	176,911
-	-	527	1,267	593
-	-	-	6,651	12,357
-	-	-	39	24
-	-	-	6,702	7,626
-	-	1,831	1,831	2,256
-	-	1,831	15,223	22,266
1,503	2,030	-	22,578	14,696
1,503	2,030	2,358	39,070	37,556
$ 3,822	$ 2,031	$ 59,979	$ 227,490	$ 214,468

STATE OF MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

SPECIAL REVENUE FUNDS

(OTHER)

FISCAL YEAR ENDED SEPTEMBER 30, 1983

(In Thousands)

	MICHIGAN EMPLOYMENT SECURITY ACT ADMS. FUND	MICHIGAN VETERANS' BENEFIT (TRUST) FUND	SCHOOL AID FUND
REVENUES			
Taxes	$ -	$ -	$ 1,095,708
From federal agencies	138,460	-	31,434
From licenses and permits	-	-	-
Miscellaneous	673	901	1,596
Total Revenues	139,134	901	1,128,739
EXPENDITURES			
Current:			
General government	-	3,316	-
Education	-	-	1,711,675
Labor, commerce, and regulatory	140,638	-	-
Capital outlay	4	-	-
Total Expenditures	140,643	3,316	1,711,675
Excess of Revenues over (under) Expenditures	(1,508)	(2,414)	(582,935)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	8,552	7,918	581,990
Operating transfers out	(8,829)	(625)	(40)
Total Other Financing Sources (Uses)	(277)	7,292	581,949
Cumulative Effect of Accounting Change	(1,664)	-	-
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses After Accounting Changes	(3,450)	4,878	(986)
Fund Balances - October 1 - as previously reported	4,423	9,008	5,112
Effect of accounting change	-	-	-
Fund Balances - October 1 - restated	4,423	9,008	5,112
Fund Balances - September 30	$ 973	$ 13,886	$ 4,126

MOTOR VEHICLE ACCIDENT CLAIMS FUND	STATE CAMPAIGN FUND	SAFETY EDUCATION AND TRAINING FUND	VIETNAM VETERAN ERA BONUS FUND
$ -	$ -	$ -	$ -
-	-	-	-
-	-	-	-
721	1	3,078	-
721	1	3,078	-
-	78	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	78	-	-
721	(77)	3,078	-
-	-	-	-
(728)	(52)	(2,051)	-
(728)	(52)	(2,051)	-
-	-	-	-
(6)	(130)	1,027	-
1,408	130	5,133	462
-	-	-	-
1,408	130	5,133	462
$ 1,401	$ -0-	$ 6,160	$ 462

STATE OF MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

SPECIAL REVENUE FUNDS (Continued)

(OTHER)

FISCAL YEAR ENDED SEPTEMBER 30, 1983

(In Thousands)

	SCHOOL BOND LOAN FUND	STATE CONSTRUCTION CODE FUND	CHILDREN'S TRUST FUND
REVENUES			
Taxes	$ -	$ -	$ -
From federal agencies	-	28	-
From licenses and permits	-	2,538	-
Miscellaneous	-	-	687
Total Revenues	-	2,566	687
EXPENDITURES			
Current:			
General government	2,538	-	34
Education	-	-	-
Labor, commerce, and regulatory	-	26	-
Capital outlay	-	-	-
Total Expenditures	2,538	26	34
Excess of Revenues over (under) Expenditures	(2,538)	2,540	653
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	-	-
Operating transfers out	-	(2,137)	-
Total Other Financing Sources (Uses)	-	(2,137)	-
Cumulative Effect of Accounting Change	-	-	-
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses After Accounting Changes	(2,538)	402	653
Fund Balances - October 1 - as previously reported	7,648	-0-	-0-
Effect of accounting change	-	-	-
Fund Balances - October 1 - restated	7,648	-0-	-0-
Fund Balances - September 30	$ 5,110	$ 402	$ 653

MICHIGAN JUSTICE TRAINING FUND	CONSTRUCTION LIEN RECOVERY FUND	STATE LOTTERY FUND	TOTALS	
			FISCAL YEAR ENDED	
			SEPTEMBER 30, 1983	SEPTEMBER 30, 1982
$ -	$ -	$ -	$ 1,095,708	$ 1,010,820
-	-	-	169,923	165,429
-	-	822	3,361	2,552
3,854	334	558,291	570,141	540,184
3,854	334	559,114	1,839,134	1,718,986
2,351	-	336,211	344,530	339,218
-	-	-	1,711,675	1,654,628
-	-	-	140,664	137,068
-	-	-	4	62
2,351	-	336,211	2,196,874	2,130,978
1,503	334	222,902	(357,740)	(411,991)
-	-	-	598,461	634,702
-	(37)	(222,962)	(237,464)	(219,361)
-	(37)	(222,962)	360,996	415,341
-	-	(77)	(1,741)	-
1,503	297	(137)	1,513	3,349
-0-	-0-	2,495	35,822	36,388
-	1,733	-	1,733	(2,181)
-0-	1,733	2,495	37,556	34,206
$ 1,503	$ 2,030	$ 2,358	$ 39,070	$ 37,556

STATE OF MICHIGAN

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND ENCUMBRANCES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - (STATUTORY/BUDGETARY BASIS)

SPECIAL REVENUE FUNDS

(OTHER)

FISCAL YEAR ENDED SEPTEMBER 30, 1983

(In Thousands)

	COUNTER-CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes	$ -	$ -	$ -
From federal agencies	-	-	-
From licenses and permits	-	-	-
Miscellaneous	-	267	-
Total Revenues	-	267	-
EXPENDITURES AND ENCUMBRANCES			
Current:			
General government	-	-	-
Education	-	-	-
Labor, commerce, and regulatory	-	-	-
Capital outlay	-	-	-
Total Expenditures and Encumbrances	-	-	-
Encumbrances at September 30	-	-	-
Total Expenditures	-	-	-
Excess of Revenues over (under) Expenditures	-	267	-
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	-	267	-
Fund Balances - October 1 - as previously reported	-	2,984	-
Effect of accounting change	-	-	-
Fund Balances - October 1 - restated	-	2,984	-
Fund Balances - September 30	$ -	$ 3,252	$ -

MICHIGAN EMPLOYMENT SECURITY ACT ADMINISTRATION FUND			MICHIGAN VETERANS' BENEFIT (TRUST) FUND			SCHOOL AID FUND		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,095,708	$ -
-	136,818	-	-	-	-	-	31,434	-
-	-	-	-	-	-	-	-	-
-	673	-	-	901	-	-	1,596	-
-	137,492	-	-	901	-	-	1,128,739	-
-	-	-	4,028	3,316	712	-	-	-
-	-	-	-	-	-	1,711,683	1,711,675	7
141,595	141,395	199	-	-	-	-	-	-
44	4	39	-	-	-	-	-	-
141,639	141,400	238	4,028	3,316	712	1,711,683	1,711,675	7
-	735	-	-	-	-	-	-	-
-	140,665	-	-	3,316	-	-	1,711,675	-
-	(3,172)	-	-	(2,414)	-	-	(582,935)	-
-	8,552	-	-	7,918	-	-	581,990	-
(8,829)	(8,829)	-	(653)	(625)	27	(40)	(40)	-
-	(277)	-	-	7,292	-	-	581,949	-
-	(3,450)	-	-	4,878	-	-	(986)	-
-	4,423	-	-	9,008	-	-	5,112	-
-	-	-	-	-	-	-	-	-
-	4,423	-	-	9,008	-	-	5,112	-
$ -	$ 973	$ -	$ -	$ 13,886	$ -	$ -	$ 4,126	$ -

STATE OF MICHIGAN

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND ENCUMBRANCES,

AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - (STATUTORY/BUDGETARY BASIS)

SPECIAL REVENUE FUNDS (Continued)

(OTHER)

FISCAL YEAR ENDED SEPTEMBER 30, 1983

(In Thousands)

	MOTOR VEHICLE ACCIDENT CLAIMS FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes	$ -	$ -	$ -
From federal agencies	-	-	-
From licenses and permits	-	-	-
Miscellaneous	-	721	-
Total Revenues	-	721	-
EXPENDITURES AND ENCUMBRANCES			
Current:			
General government	-	-	-
Education	-	-	-
Labor, commerce, and regulatory	-	-	-
Capital outlay	-	-	-
Total Expenditures and Encumbrances	-	-	-
Encumbrances at September 30	-	-	-
Total Expenditures	-	-	-
Excess of Revenues over (under) Expenditures	-	721	-
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	-	-
Operating transfers out	(1,426)	(728)	698
Total Other Financing Sources (Uses)	-	(728)	-
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	-	(6)	-
Fund Balances - October 1 - as previously reported	-	1,408	-
Effect of accounting change	-	-	$ -
Fund Balances - October 1 - restated	-	1,408	-
Fund Balances - September 30	$ -	$ 1,401	$ -

STATE CAMPAIGN FUND			SAFETY EDUCATION AND TRAINING FUND			VIETNAM VETERAN ERA BONUS FUND		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	1	-	-	3,078	-	-	-	-
-	1	-	-	3,078	-	-	-	-
78	78	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
78	78	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	78	-	-	-	-	-	-	-
-	(77)	-	-	3,078	-	-	-	-
-	-	-	-	-	-	-	-	-
(52)	(52)	-	(2,281)	(2,051)	229	-	-	-
-	(52)	-	-	(2,051)	-	-	-	-
-	(130)	-	-	1,027	-	-	-	-
-	130	-	-	5,133	-	-	462	-
-	-	-	-	-	-	-	-	-
-	130	-	-	5,133	-	-	462	-
$ -	$ -0-	$ -	$ -	$ 6,160	$ -	$ -	$ 462	$ -

STATE OF MICHIGAN

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND ENCUMBRANCES,

AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - (STATUTORY/BUDGETARY BASIS)

SPECIAL REVENUE FUNDS (Continued)

(OTHER)

FISCAL YEAR ENDED SEPTEMBER 30, 1983

(In Thousands)

	SCHOOL BOND LOAN FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes	$ -	$ -	$ -
From federal agencies	-	-	-
From licenses and permits	-	-	-
Miscellaneous	-	-	-
Total Revenues	-	-	-
EXPENDITURES AND ENCUMBRANCES			
Current:			
General government	7,648	2,538	5,110
Education	-	-	-
Labor, commerce, and regulatory	-	-	-
Capital outlay	-	-	-
Total Expenditures and Encumbrances	7,648	2,538	5,110
Encumbrances at September 30	-	-	-
Total Expenditures	-	2,538	-
Excess of Revenues over (under) Expenditures	-	(2,538)	-
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	-	(2,538)	-
Fund Balances - October 1 - as previously reported	-	7,648	-
Effect of accounting change	-	-	-
Fund Balances - October 1 - restated	-	7,648	-
Fund Balances - September 30	$ -	$ 5,110	$ -

STATE CONSTRUCTION CODE FUND			CHILDREN'S TRUST FUND			MICHIGAN JUSTICE TRAINING FUND		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	28	-	-	-	-	-	-	-
-	2,538	-	-	-	-	-	-	-
-	-	-	-	687	-	-	3,854	-
-	2,566	-	-	687	-	-	3,854	-
-	-	-	72	39	33	5,000	2,351	2,648
-	-	-	-	-	-	-	-	-
-	26	(26)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	26	(26)	72	39	33	5,000	2,351	2,648
-	-	-	-	4	-	-	-	-
-	26	-	-	34	-	-	2,351	-
-	2,540	-	-	653	-	-	1,503	-
-	-	-	-	-	-	-	-	-
(4,098)	(2,137)	1,960	-	-	-	-	-	-
-	(2,137)	-	-	-	-	-	-	-
-	402	-	-	653	-	-	1,503	-
-	-0-	-	-	-0-	-	-	-0-	-
-	-	-	-	-	-	-	-	-
-	-0-	-	-	-0-	-	-	-0-	-
$ -	$ 402	$ -	$ -	$ 653	$ -	$ -	$ 1,503	$ -

STATE OF MICHIGAN

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND ENCUMBRANCES,

AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - (STATUTORY/BUDGETARY BASIS)

SPECIAL REVENUE FUNDS (Continued)

(OTHER)

FISCAL YEAR ENDED SEPTEMBER 30, 1983

(In Thousands)

	CONSTRUCTION LIEN RECOVERY FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes	$ -	$ -	$ -
From federal agencies	-	-	-
From licenses and permits	-	-	-
Miscellaneous	-	334	-
Total Revenues	-	334	-
EXPENDITURES AND ENCUMBRANCES			
Current:			
General government	-	-	-
Education	-	-	-
Labor, commerce, and regulatory	-	-	-
Capital outlay	-	-	-
Total Expenditures and Encumbrances	-	-	-
Encumbrances at September 30	-	-	-
Total Expenditures	-	-	-
Excess of Revenues over (under) Expenditures	-	334	-
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	-	-
Operating transfers out	(330)	(37)	293
Total Other Financing Sources (Uses)	-	(37)	-
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	-	297	-
Fund Balances - October 1 - as previously reported	-	-0-	-
Effect of accounting change	-	1,733	-
Fund Balances - October 1 - restated	-	1,733	-
Fund Balances - September 30	$ -	$ 2,030	$ -

STATE LOTTERY FUND			TOTALS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ -	$ -	$ -	$ -	$ 1,095,708	$ -
-	-	-	-	168,281	-
-	822	-	-	3,361	-
-	558,291	-	-	570,408	-
-	559,114	-	-	1,837,759	-
338,568	336,737	1,831	355,396	345,061	10,335
-	-	-	1,711,683	1,711,675	7
-	-	-	141,595	141,422	172
-	-	-	44	4	39
338,568	336,737	1,831	2,208,718	2,198,163	10,555
-	527	-	-	1,267	-
-	336,210	-	-	2,196,895	-
-	222,903	-	-	(359,136)	-
-	-	-	-	598,461	-
(223,040)	(223,040)	-	(240,752)	(237,543)	3,209
-	(223,040)	-	-	360,917	-
-	(137)	-	-	1,781	-
-	2,495	-	-	38,807	-
-	-	-	-	1,733	-
-	2,495	-	-	40,540	-
$ -	$ 2,358	$ -	$ -	$ 42,322	$ -

STATE OF MICHIGAN

DESCRIPTIONS OF DEBT SERVICE FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 1983

WATER POLLUTION CONTROL BOND AND INTEREST REDEMPTION FUND

P.A. 329 of 1966 established this fund to account for retiring bond issues of the Water Pollution Control Bond Fund and State Sewer Construction Fund. The Legislature appropriates funds from the General Fund to meet the bond principal and interest requirements and paying agent fees.

PUBLIC RECREATION BOND AND INTEREST REDEMPTION FUND

This fund was established pursuant to P.A. 108 of 1969 and services bond issues of the Public Recreation Bond Fund. Financing of debt retirement, interest expense, and paying agent fees is provided by annual legislative appropriation from the General Fund.

VIETNAM VETERAN ERA BONUS BOND REDEMPTION FUND

Created by P.A. 370 of 1974, the purpose of this fund is to account for the debt service of general obligation bonds which were issued to finance bonuses paid to veterans or their beneficiaries. In 1982-83, financing was provided by a transfer from the General Fund.

COMPREHENSIVE TRANSPORTATION BOND AND INTEREST REDEMPTION FUND

This fund was established pursuant to P.A. 51 of 1951 and services bond issues of the Comprehensive Transportation Bond Construction Fund. Financing of debt service requirements is provided by an annual appropriation in the Comprehensive Transportation Fund.

1983 STATE TRUNKLINE FUND BOND AND INTEREST REDEMPTION FUND

This fund was established pursuant to P.A. 51 of 1951, as amended, and services bond issues of the 1983 State Trunkline Fund Bond Proceeds Fund. Financing of debt service requirements is provided by an annual appropriation in the State Trunkline Fund.

MICHIGAN TRUNKLINE BOND AND INTEREST REDEMPTION FUND -- SERIES II THRU IX

P.A. 51 of 1951 created the authority to establish this fund. The various series were issued in varying amounts during the period from July, 1959 to July, 1962. Financing of debt service requirements is provided by an annual appropriation in the State Trunkline Fund.

SCHOOL LOAN BOND REDEMPTION FUND

P.A. 74 of 1955 established this fund. Monies in this fund are utilized for payment of interest and redemption of bonds issued to provide financing for loans to school districts. Funding is furnished by an annual appropriation from the General Fund and/or repayments of loans by school districts.

EXPRESSWAY BOND AND INTEREST REDEMPTION FUND

The State Treasurer is Fiscal Agent to the Department of Transportation and certain local units of government for funds constructing expressways and for servicing bonds issued for that purpose. In summary form, this fund presents the position of several expressway serial bond issues. Resources to finance the requirements for bond interest and redemption are provided by periodic payments from participating parties, earnings on investments, and operating transfers from other state funds.

STATE PARK REVENUE BOND FUND

This fund was created pursuant to P.A. 149 of 1960 which initiated a State park improvement program by authorizing the Department of Natural Resources to issue up to $10 million of revenue dedicated bonds to finance land acquisition, construction, and improvement of State parks. P.A. 286 of 1967 increased the authorized amount of such bonds to $20 million.

P.A. 149 of 1960 as amended, also provides that park permit fees for motor vehicle entry into certain State parks be deposited with the State Treasurer who is designated as fiscal agent. Such proceeds are to be allocated in the following order of priority: debt service requirements, fiscal agent expenses, bond reserve, operations and park improvements as appropriated by the Legislature.

STATE OF MICHIGAN

COMBINING BALANCE SHEET

DEBT SERVICE FUNDS

SEPTEMBER 30, 1983

(In Thousands)

	COMPREHENSIVE TRANSPORTATION BOND AND INTEREST REDEMPTION FUND	1983 STATE TRUNKLINE FUND BOND AND INTEREST REDEMPTION FUND	MICHIGAN TRUNKLINE BOND AND INTEREST REDEMPTION FUND SERIES II-IX
ASSETS			
Current Assets:			
Equity in State Treasurer's Common Cash......................	$ 127	$ 1,052	$ 1,506
Amounts due from other funds.......	3	12	-
Investments........................	-	-	-
Other current assets:			
Cash with fiscal agent...........	-	-	-
Miscellaneous....................	-	-	-
Total other current assets........	-	-	-
Total Current Assets..............	130	1,065	1,506
Security investments--equities at cost, all others at face value less collections on principal......	-	-	-
Security investments--unamortized premium or discount................	-	-	-
Total Assets......................	$ 130	$ 1,065	$ 1,506
LIABILITIES AND FUND BALANCES			
Current Liabilities:			
Amounts due to other funds.........	$ -	$ -	$ -
Accounts payable and other accrued liabilities..............	-	1,052	1,506
Total Current Liabilities.........	-	1,052	1,506
Total Liabilities.................	-	1,052	1,506
Fund Balances:			
Other reserves:			
Reserved for unencumbered restricted revenue balances (except capital outlay)........	-	-	-
Reserved for noncurrent assets...	-	-	-
Total other reserves..............	-	-	-
Unreserved.........................	130	12	-
Total Fund Balances..............	130	12	-0-
Total Liabilities and Fund Balances.......................	$ 130	$ 1,065	$ 1,506

SCHOOL LOAN BOND REDEMPTION FUND	EXPRESSWAY BOND AND INTEREST REDEMPTION FUND	STATE PARK REVENUE BOND FUND	TOTALS	
			SEPTEMBER 30, 1983	SEPTEMBER 30, 1982
$ 7,960	$ -	$ -	$ 10,646	$ 7,805
-	-	18	33	161
-	5,801	2,886	8,688	8,002
-	153	104	258	177
-	-	8	8	170
-	153	113	266	348
7,960	5,955	3,017	19,635	16,318
-	-	490	490	8,016
-	-	1	1	(1,009)
$ 7,960	$ 5,955	$ 3,509	$ 20,127	$ 23,324
$ -	$ -	$ -	$ -	$ 7
-	41	-	2,600	1,546
-	41	-	2,600	1,553
-	41	-	2,600	1,553
-	-	435	435	1,205
-	-	491	491	7,006
-	-	927	927	8,211
7,960	5,913	2,582	16,599	13,559
7,960	5,913	3,509	17,526	21,771
$ 7,960	$ 5,955	$ 3,509	$ 20,127	$ 23,324

STATE OF MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

DEBT SERVICE FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 1983

(In Thousands)

	WATER POLLUTION CONTROL BOND AND INTEREST REDEMPTION FUND	PUBLIC RECREATION BOND AND INTEREST REDEMPTION FUND	VIETNAM VETERAN ERA BONUS BOND REDEMPTION FUND	COMPREHENSIVE TRANSPORTATION BOND AND INTEREST REDEMPTION FUND
REVENUES				
From local agencies	$ -	$ -	$ -	$ -
From licenses and permits	-	-	-	-
Miscellaneous	-	-	-	9
Total Revenues	-	-	-	9
EXPENDITURES				
Debt Service:				
Principal retirement	11,000	4,000	28,000	2,000
Interest and fiscal charges	6,227	678	7,565	14,237
Total Expenditures	17,227	4,678	35,565	16,237
Excess of Revenues over (under) Expenditures	(17,227)	(4,678)	(35,565)	(16,227)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	17,227	4,678	35,565	16,237
Operating transfers out	-	-	-	-
Total Other Financing Sources (Uses)	17,227	4,678	35,565	16,236
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	-	-	-	8
Fund Balances - October 1	-0-	-0-	-0-	121
Fund Balances - September 30	$ -0-	$ -0-	$ -0-	$ 130

1983 STATE TRUNKLINE FUND BOND AND INTEREST REDEMPTION FUND	MICHIGAN TRUNKLINE BOND AND INTEREST REDEMPTION FUND SERIES II THRU IX	SCHOOL LOAN BOND REDEMPTION FUND	EXPRESSWAY BOND AND INTEREST REDEMPTION FUND	STATE PARK REVENUE BOND FUND	TOTALS	
					FISCAL YEAR ENDED	
					SEPTEMBER 30, 1983	SEPTEMBER 30, 1982
$ -	$ -	$ 13,618	$ 338	$ -	$ 13,956	$ 12,489
-	-	-	-	4,718	4,718	4,565
12	-	-	1,155	495	1,672	2,112
12	-	13,618	1,493	5,214	20,348	19,167
-	14,070	8,700	7,060	665	75,495	77,160
-	2,073	3,162	450	745	35,140	37,914
-	16,143	11,862	7,510	1,410	110,635	115,074
12	(16,143)	1,755	(6,017)	3,803	(90,287)	(95,906)
-	16,143	-	789	-	90,641	95,139
-	-	-	(42)	(4,556)	(4,599)	(3,390)
-	16,143	-	747	(4,556)	86,041	91,748
12	-	1,755	(5,269)	(752)	(4,245)	(4,157)
-0-	-0-	6,204	11,183	4,262	21,771	25,929
$ 12	$ -0-	$ 7,960	$ 5,913	$ 3,503	$ 17,526	$ 21,771

STATE OF MICHIGAN

DESCRIPTIONS OF CAPITAL PROJECTS FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 1983

PUBLIC RECREATION BOND FUND

This fund was established by P.A. 108 of 1969 to account for the proceeds of $100.0 million general obligation public recreation bonds approved by the people in November, 1968. This approval was pursuant to Section 15, Article IX, of the 1963 Constitution and P.A. 257 of 1968.

P.A. 108 of 1969 also allocated $30.0 million for grants to local units for local community recreational projects and the balance of $70.0 million to the Department of Natural Resources to fund the State's recreation program.

EXPRESSWAY CONSTRUCTION FUNDS

A separate Expressway Construction Fund has been established by the Fiscal Agent for each contract between the Department of Transportation and local units to account for transactions relating to the joint venture. The money of each fund is maintained in a segregated depository. Investments in securities are made separately in the name of each fund. Costs of the limited access highways constructed under these joint ventures have been financed by the proceeds from the sale of dedicated tax bonds, federal aid, and contributions from the participating parties. A total of $320.1 million of bonds have been issued under the ten Expressway Construction Funds which have been in existence. During 1982-83 the 1960 Grand Rapids Expressway Construction Fund distributed its remaining assets and no longer exists. The Detroit Expressway Construction Fund is now the only remaining fund and has only a relatively small fund balance. The project will be completed by collection of federal aid and contributions by the participating parties.

STATE OF MICHIGAN

COMBINING BALANCE SHEET

CAPITAL PROJECTS FUNDS

SEPTEMBER 30, 1983

(In Thousands)

	PUBLIC RECREATION BOND FUND	DETROIT X-WAY CONSTRUCTION FUND	TOTALS	
			SEPTEMBER 30, 1983	SEPTEMBER 30, 1982
ASSETS				
Current Assets:				
Equity in State Treasurer's Common Cash..	$ 2,181	$ -	$ 2,181	$ 3,355
Amounts receivable from federal governmental agencies..................	49	582	631	1,721
Investments..............................	-	17,333	17,333	15,705
Other current assets:				
Cash with fiscal agent.................	-	62	62	621
Land contracts outstanding.............	-	76	76	86
Total other current assets..............	-	139	139	707
Total Current Assets..............	2,231	18,054	20,286	21,489
Total Assets............................	$ 2,231	$ 18,054	$ 20,286	$ 21,489
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Warrants outstanding......................	$ 2	$ 23	$ 26	$ 914
Accounts payable and other accrued liabilities............................	76	80	156	1,099
Amounts due to other funds...............	-	113	113	-
Deferred revenue.........................	-	76	76	95
Total Current Liabilities...............	79	293	373	2,109
Total Liabilities.......................	79	293	373	2,109
Fund Balances:				
Reserved for encumbrances................	287	503	791	1,215
Other Reserves:				
Reserved for unencumbered capital outlay................................	1,295	-	1,295	755
Total other reserves....................	1,295	-	1,295	755
Unreserved...............................	568	17,257	17,826	17,409
Total Fund Balances.....................	2,152	17,760	19,912	19,380
Total Liabilities and Fund Balances.....	$ 2,231	$ 18,054	$ 20,286	$ 21,489

STATE OF MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

CAPITAL PROJECTS FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 1983

(In Thousands)

				TOTALS	
				FISCAL YEAR ENDED	
	PUBLIC RECREATION BOND FUND	1960 GRAND RAPIDS X-WAY CONSTRUCTION FUND	DETROIT X-WAY CONSTRUCTION FUND	SEPTEMBER 30, 1983	SEPTEMBER 30, 1982
REVENUES					
From federal agencies....................	$ 227	$ -	$ 3,131	$ 3,359	$ 7,929
Miscellaneous............................	-	-	2,248	2,248	2,278
Total Revenues........................	227	-	5,380	5,607	10,208
EXPENDITURES					
Current:					
Conservation, recreation, and agriculture..........................	-	-	-	-	65
Transportation..........................	-	2	-	2	-
Capital outlay...........................	1,232	-	3,761	4,993	11,406
Total Expenditures....................	1,232	2	3,761	4,995	11,472
Excess of Revenues over (under) Expenditures........................	(1,004)	(2)	1,619	612	(1,264)
OTHER FINANCING SOURCES (USES)					
Operating transfers out..................	(79)	-	-	(79)	(247)
Total Other Financing Sources (Uses)..	(79)	-	-	(79)	(247)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses..........................	(1,084)	(2)	1,619	532	(1,511)
Fund Balances - October 1..................	3,236	2	16,141	19,380	20,891
Fund Balances - September 30..............	$ 2,152	$ -0-	$ 17,760	$ 19,912	$ 19,380

STATE OF MICHIGAN

DESCRIPTIONS OF STATE AUTHORITIES - GOVERNMENTAL

FISCAL YEARS ENDED - 1983

STATE BUILDING AUTHORITY

The State Building Authority of the State of Michigan was created pursuant to P.A. 183 of 1964, as amended, to issue bonds to finance the acquisition of buildings for use by the State or public institutions of higher education. The five members of the Authority are appointees of the Governor.

MICHIGAN HIGHER EDUCATION FACILITIES AUTHORITY

Public Act 295 of 1969, as amended, authorized the Michigan Higher Education Facilities Authority for the purpose of assisting institutions of higher education in financing their facilities. The Authority consists of an eleven member commission, nine of whom are appointed by the Governor with the advice and consent of the Senate and two of whom are ex officio (the Superintendent of Public Instruction and Director of the Department of Management and Budget).

MICHIGAN FAMILY FARM DEVELOPMENT AUTHORITY

The Michigan Family Farm Development Authority was created by Act 220, P.A. 1982 to assist beginning farmers in financing the purchase of agricultural land and equipment. Members of the Authority are appointed by the Governor.

MICHIGAN JOB DEVELOPMENT AUTHORITY

The Michigan Job Development Authority was organized under P.A. 301 of 1975, as amended. The Authority assists industrial business enterprises in obtaining financing for capital improvements in Michigan that will alleviate and prevent conditions of unemployment. Members of the Authority are appointed by the Governor.

MACKINAC BRIDGE AUTHORITY

The Authority was created by Act 21, P.A. 1950. Act 214, P.A. 1952, as amended, empowered the Authority to construct and operate a bridge extending from the lower peninsula of Michigan to the upper peninsula. Financing for the construction of the bridge was provided by the issuance of $79.8 million Series A bonds and $20.0 million of Series B bonds, both issued in 1954.

STATE OF MICHIGAN

COMBINING BALANCE SHEET

STATE AUTHORITIES - GOVERNMENTAL

1983

(In Thousands)

	STATE BUILDING AUTHORITY SEPTEMBER 30	MICHIGAN HIGHER EDUCATION FACILITIES AUTHORITY SEPTEMBER 30	MICHIGAN FAMILY FARM DEVELOPMENT AUTHORITY SEPTEMBER 30
ASSETS			
Current assets:			
Cash and cash equivalents............	$ 1,192	$ 15	$ 1
Amounts due from other funds.........	244	-	-
Amounts receivable from local units of government......................	-	16	-
Investments..........................	119,802	-	-
Other current assets:			
Interest receivable on investments.	5,253	-	-
Miscellaneous......................	-	9	-
Total other current assets..........	5,253	9	-
Total Current Assets................	126,491	40	1
Security investments--equities at cost, all others at face value less collections on principal............	94,795	-	-
Security investments--unamortized premium or discount.................	2,412	-	-
Total Assets........................	$ 223,698	$ 40	$ 1
LIABILITIES AND FUND BALANCES			
Current Liabilities:			
Accounts payable and other accrued liabilities	$ 11,607	$ -	$ -
Amounts due to other funds...........	136	-	-
Deferred revenue.....................	-	-	-
Total Current Liabilities...........	11,743	-	-
Total Liabilities...................	11,743	-	-
Fund Balances:			
Other reserves:			
Reserved for future construction and debt retirement..............	211,955	-	-
Total other reserves................	211,955	-	-
Unreserved...........................	-	40	1
Total Fund Balances.................	211,955	40	1
Total Liabilities and Fund Balances.	$ 223,698	$ 40	$ 1

MICHIGAN JOB DEVELOPMENT AUTHORITY SEPTEMBER 30	MACKINAC BRIDGE AUTHORITY JUNE 30	TOTALS	
		1983	1982
$ 26	$ 220	$ 1,454	$ 286
-	-	244	707
-	-	16	7
442	3,969	124,213	48,706
2	-	5,255	890
1	40	50	67
3	40	5,305	957
471	4,229	131,232	50,663
-	-	94,795	13,371
-	-	2,412	72
$ 471	$ 4,229	$ 228,439	$ 64,106
$ 60	$ 481	$ 12,148	$ 2,232
-	-	136	15,342
-	50	50	46
60	531	12,334	17,620
60	531	12,334	17,620
-	3,535	215,490	45,501
-	3,535	215,490	45,501
411	163	615	985
411	3,698	216,105	46,486
$ 471	$ 4,229	$ 228,439	$ 64,106

STATE OF MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

STATE AUTHORITIES - GOVERNMENTAL

FISCAL YEARS ENDED 1983

(In Thousands)

	STATE BUILDING AUTHORITY SEPTEMBER 30	MICHIGAN HIGHER EDUCATION FACILITIES AUTHORITY SEPTEMBER 30	MICHIGAN FAMILY FARM DEVELOPMENT AUTHORITY SEPTEMBER 30
REVENUES			
From services	$ -	$ 14	$ 1
From licenses and permits	-	-	-
Miscellaneous	20,845	2	-
Total Revenues	20,845	16	1
EXPENDITURES			
Current:			
General government	107	2	59
Education	75,775	-	-
Transportation	-	-	-
Capital outlay	4,255	-	-
Debt service:			
Principal retirement	4,240	-	-
Interest and fiscal charges	32,194	-	-
Total Expenditures	116,571	2	59
Excess of Revenues over (under) Expenditures	(95,726)	14	(58)
OTHER FINANCING SOURCES (USES)			
Proceeds from bond issues	245,473	-	-
Operating transfers in	24,595	-	59
Operating transfers out	-	-	-
Total Other Financing Sources (Uses)	270,068	-	59
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	174,342	14	1
Fund Balances - beginning of fiscal year	37,613	26	-
Fund Balances - end of fiscal year	$ 211,955	$ 40	$ 1

MICHIGAN JOB DEVELOPMENT AUTHORITY SEPTEMBER 30	MACKINAC BRIDGE AUTHORITY JUNE 30	TOTALS FISCAL YEARS ENDED	
		1983	1982
$ 159	$ -	$ 174	$ 317
-	4,374	4,374	4,292
61	1,080	21,988	6,358
220	5,454	26,536	10,967
260	-	428	332
-	-	75,775	24,408
-	2,620	2,620	2,685
-	-	4,255	71,727
-	9,749	13,989	5,690
-	1,296	33,490	5,630
260	13,665	130,557	110,472
(40)	(8,211)	(104,021)	(99,505)
-	-	245,473	98,621
-	3,917	28,571	15,098
(404)	-	(404)	(169)
(404)	3,917	273,640	113,550
(444)	(4,294)	169,619	14,045
855	7,992	46,486	32,441
$ 411	$ 3,698	$ 216,105	$ 46,486

STATE OF MICHIGAN

DESCRIPTIONS OF ENTERPRISE FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 1983

LIQUOR PURCHASE REVOLVING FUND

The Liquor Purchase Revolving Fund was authorized by P.A. 259 of 1941. Under State monopoly, liquor is sold at retail or wholesale in State liquor stores and through specially designated distributors. The fund accounts for the sales of and the replenishing and transportation of the liquor stock into the various State liquor stores. Administrative, warehousing, and merchandising costs are appropriated in the General Fund with financing provided by a transfer from the Liquor Purchase Revolving Fund.

The free-cash balance of the fund, as defined by statute, is transferred to the General Fund at the end of each fiscal year.

MICHIGAN STATE FAIR REVOLVING FUND

This fund was created by Public Act 224 of 1962, which placed the fund under management of the Michigan State Fair Authority. P.A. 361 of 1978 abolished the Authority and transferred responsibility for the fair and the fund's management to the Department of Natural Resources.

The Department of Natural Resources has jurisdiction over the Michigan State Fair grounds in Detroit. Fund revenues are derived from the operation of the annual State Fair and other exhibits or events, leases, rentals or other charges for use of the buildings and grounds scheduled during the year.

The free-cash balance of the fund, as defined by statute, is transferred to the General Fund at the end of each fiscal year, while any deficit is made up by the General Fund.

DEPARTMENT OF NATURAL RESOURCES MAGAZINE FUND

P.A. 107 of 1979 provided for creation of a fund to account for the revenues and costs incurred in the publication of the department's magazine, publications, and related materials. Prior to the creation of this fund, these activities had been recorded as restricted revenue operations in the General Fund.

STATE OF MICHIGAN

COMBINING BALANCE SHEET

ENTERPRISE FUNDS

SEPTEMBER 30, 1983

(In Thousands)

	LIQUOR PURCHASE REVOLVING FUND	MICHIGAN STATE FAIR REVOLVING FUND	DEPARTMENT OF NATURAL RESOURCES MAGAZINE FUND	TOTALS	
				SEPTEMBER 30, 1983	SEPTEMBER 30, 1982
ASSETS					
Current Assets:					
Cash and cash equivalents............	$ 1,679	$ 179	$ 12	$ 1,870	$ 1,349
Equity in State Treasurer's Common Cash............................	20,353	698	244	21,295	19,495
Amounts due from other funds..........	-	29	6	36	37
Inventories...........................	67,542	-	469	68,012	70,097
Other current assets:					
Miscellaneous......................	393	117	149	660	567
Total other current assets...........	393	117	149	660	567
Total Current Assets.................	89,969	1,024	881	91,875	91,548
Property, plant, and equipment:					
Land..................................	-	6,901	-	6,901	6,901
Buildings and equipment...............	8,801	13,324	78	22,204	19,848
Construction in progress..............	-	168	-	168	1,097
Total property, plant, and equipment.........................	8,801	20,393	78	29,273	27,846
Allowance for depreciation.............	(3,629)	(6,335)	(28)	(9,993)	(9,532)
Total Assets..........................	$ 95,140	$ 15,083	$ 931	$ 111,156	$ 109,862
LIABILITIES AND FUND EQUITY					
Current Liabilities:					
Warrants outstanding..................	$ 182	$ 111	$ 26	$ 320	$ 226
Accounts payable and other accrued liabilities.........................	89,782	832	136	90,750	90,567
Amounts due to other funds............	-	81	4	85	90
Deferred revenue......................	4	-	965	969	1,065
Total Current Liabilities............	89,969	1,024	1,132	92,126	91,950
Long-Term Liabilities:					
Other long-term liabilities...........	-	105	40	146	-
Total Liabilities....................	89,969	1,130	1,173	92,273	91,950
Fund Equity:					
Retained earnings and contributions (deficit)...........................	5,171	13,952	(241)	18,883	17,912
Total Fund Equity (Deficit)..........	5,171	13,952	(241)	18,883	17,912
Total Liabilities and Fund Equity....	$ 95,140	$ 15,083	$ 931	$ 111,156	$ 109,862

STATE OF MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS AND CONTRIBUTIONS

ENTERPRISE FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 1983

(In Thousands)

	LIQUOR PURCHASE REVOLVING FUND	MICHIGAN STATE FAIR REVOLVING FUND	DEPARTMENT OF NATURAL RESOURCES MAGAZINE FUND	TOTALS SEPTEMBER 30, 1983	TOTALS SEPTEMBER 30, 1982
OPERATING REVENUES..........................	$ 406,823	$ 2,442	$ 1,723	$ 410,989	$ 427,073
OPERATING EXPENSES:					
Salaries, wages, and other administrative expenses................	29,549	4,005	1,554	35,109	33,220
Depreciation.............................	394	350	7	751	604
Purchases for resale.....................	321,200	-	-	321,200	332,400
Total Operating Expenses..............	351,143	4,355	1,562	357,060	366,225
Operating Income (Loss)...............	55,680	(1,913)	161	53,928	60,847
NONOPERATING REVENUES (EXPENSES):					
Interest revenue (expense)...............	-	(69)	25	(43)	(32)
Specific tax on spirits..................	6,971	-	-	6,971	7,131
Total Nonoperating Revenues (Expenses)........................	6,972	(69)	25	6,928	7,100
Income (Loss) Before Operating Transfers...........................	62,652	(1,982)	186	60,857	67,947
OPERATING TRANSFERS:					
Operating transfers in...................	-	2,698	2	2,701	2,381
Operating transfers out..................	(62,406)	(29)	(3)	(62,439)	(69,448)
Total Operating Transfers In (Out)....	(62,406)	2,669	-	(59,738)	(67,066)
Net Income Before Accounting Change...	245	686	186	1,118	881
Cumulative Effect of Accounting Change.............................	-	(110)	(36)	(147)	-
Net Income............................	245	575	149	971	881
Retained Earnings and Contributions (Deficit) - October 1...................	4,925	13,377	(390)	17,912	17,030
Retained Earnings and Contributions (Deficit) - September 30................	$ 5,171	$ 13,952	$ (241)	$ 18,883	$ 17,912

STATE OF MICHIGAN

COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION

ENTERPRISE FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 1983

(In Thousands)

	LIQUOR PURCHASE REVOLVING FUND	MICHIGAN STATE FAIR REVOLVING FUND	DEPARTMENT OF NATURAL RESOURCES MAGAZINE FUND	TOTALS	
				SEPTEMBER 30, 1983	SEPTEMBER 30, 1982
SOURCES OF FUNDS:					
Working capital:					
Net income (loss)......................	$ 245	$ 575	$ 149	$ 971	$ 881
Items not requiring (providing) working capital:					
Depreciation........................	394	350	7	751	604
Compensated absences - long-term portion..........................	-	105	40	146	-
Sale of fixed assets................	1	-	-	1	-
Contributed fixed assets included in operating transfers............	-	(944)	-	(944)	(1,051)
Working Capital Provided.............	640	86	197	924	433
Total Sources of Funds...............	$ 640	$ 86	$ 197	$ 924	$ 433
APPLICATION OF FUNDS:					
Acquisition of fixed assets..............	$ 640	$ 86	$ 46	$ 774	$ 396
Net increase (decrease) in working capital..............................	-	-	150	150	36
Total Application of Funds............	$ 640	$ 86	$ 197	$ 924	$ 433
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL:					
Cash and cash equivalents................	$ 697	$ (181)	$ 4	$ 520	$ (626)
Equity in State Treasurer's Common Cash..	1,451	348	-	1,799	7,567
Amounts due from other funds............	-	-	(1)	(1)	(9)
Inventories..............................	(2,155)	-	71	(2,084)	2,234
Other current assets.....................	92	(8)	8	92	(21)
Warrants outstanding.....................	(133)	35	2	(94)	2
Accounts payable and other accrued liabilities............................	50	(199)	(33)	(182)	(9,177)
Amounts due to other funds...............	-	5	-	4	14
Deferred revenue.........................	(4)	-	100	95	52
Net Increase (Decrease) in Working Capital............................	$ -	$ -	$ 150	$ 150	$ 36

STATE OF MICHIGAN

DESCRIPTIONS OF INTERNAL SERVICE FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 1983

CORRECTIONAL INDUSTRIES REVOLVING FUND

This fund was created by P.A. 210 of 1935 and continued by P.A. 15 of 1968 to account for the financial transactions of a manufacturing and processing industry, employing inmates of the State's correctional institutions. P.A. 245 of 1980 expanded the fund's sales market to include institutions of this or any other state or political subdivision thereof, the federal government or its agencies, and certain tax exempt organizations.

Salaries, wages, and fringe benefits of administrative and supervisory personnel are appropriated and expended in the General Fund. Beginning with the 1980-81 fiscal year, the relationship between this fund and the General Fund changed. A portion of the costs appropriated in the General Fund are now financed by this fund. P.A. 244 of 1980 also eliminated the transfer of the fund's year-end free-cash balance to the General Fund. P.A. 245 of 1980 mandates that by October 1, 1985 all subsidies will be eliminated and the fund must be self-supporting.

FEDERAL SURPLUS REVOLVING FUND

The purpose of the fund is to account for the operations related to and the distribution of surplus federal property to eligible units of State and local agencies for a service charge. The fund was created by administrative decision.

CENTRAL DRUG REPACKAGING REVOLVING FUND

The Central Drug Repackaging Revolving Fund was established to account for the central purchase and distribution of inventories of drugs and hospital supplies at individual locations. The fund purchases these items in bulk quantities and distributes them to eligible State and local agencies for a service fee. The fund was created by P.A. 111 of 1979 and is currently operating by administrative decision. The operations of the fund were formerly accounted for in the General Fund. Prior to the current fiscal year any balance in excess of inventory at the end of the fiscal year was transferred to the General Fund and any deficiency was made up by the General Fund.

MOTOR TRANSPORT REVOLVING FUND

This fund was established by P.A. 260 of 1947 to provide automotive transportation for State agencies. Activities include purchase, replacement, and maintenance of automotive equipment. Vehicles are available to agencies on a permanently assigned basis or through the motor pool for short term usage. The Motor Transport Division vehicles are furnished to agencies at a rate sufficient to cover all costs of operation and maintenance. Agencies are charged by Motor Transport Division on a monthly basis.

OFFICE SERVICES REVOLVING FUND

Created by P.A. 262 of 1952, this fund provides services in the following areas: reproduction, microfilm, mailing, trained office personnel services, communications, and purchase and storage of paper, stationery, and office supplies. The cost of the services or supplies is charged to user departments and agencies. Resultant revenue is credited to the revolving fund and is used for administration and operation of the program, including purchase of necessary equipment.

STATE SPONSORED GROUP INSURANCE FUND

Prior to October 1, 1981, payments for employee dental benefits were recorded in a trust fund entitled "State Employees Dental Coverage Fund." As of that date, the equity of that fund was transferred to this internal service fund. This fund was administratively established to reflect the financial transactions of the Department of Civil Service's insurance plans which provide state sponsored health, long-term disability, life, vision, and dental coverage for participating employees. The plans' funding methods range from those where the State is fully self-insured to those where an outside carrier,assumes partial risk on a contracted basis.

By accounting for these varied insurance programs in one fund, the Department of Civil Service realizes greater flexibility in administration and rate negotiations for the various plans than would otherwise be possible.

STATE OF MICHIGAN

COMBINING BALANCE SHEET

INTERNAL SERVICE FUNDS

SEPTEMBER 30, 1983

(In Thousands)

	CORRECTIONAL INDUSTRIES REVOLVING FUND	FEDERAL SURPLUS REVOLVING FUND	CENTRAL DRUG REPACKAGING REVOLVING FUND
ASSETS			
Current Assets:			
Cash and cash equivalents......	$ 3	$ 4	$ 10
Equity in State Treasurer's Common Cash.................	6,456	-	-
Amounts due from other funds...	-	-	-
Amounts receivable from local units of government..........	98	87	66
Inventories....................	5,130	-	1,146
Other current assets:			
Miscellaneous................	91	28	51
Total other current assets....	91	28	51
Total Current Assets..........	11,779	120	1,274
Property, plant, and equipment:			
Buildings and equipment........	10,155	371	7
Total property, plant, and equipment..................	10,155	371	7
Allowance for depreciation.......	(5,300)	(279)	(3)
Other noncurrent assets..........	-	-	-
Total Assets.................	$ 16,634	$ 212	$ 1,278
LIABILITIES AND FUND EQUITY			
Current Liabilities:			
Liability to State Treasurer's Common Cash.................	$ -	$ 77	$ 46
Warrants outstanding...........	288	1	37
Accounts payable and other accrued liabilities..........	655	34	239
Amounts due to other funds.....	-	9	3
Deferred revenue...............	-	-	-
Total Current Liabilities.....	943	123	326
Long-term liabilities:			
Other long-term liabilities....	-	116	20
Total Liabilities.............	943	239	346
Fund Equity:			
Retained earnings and contributions (deficit)...	15,691	(27)	931
Total Fund Equity (Deficit)...	15,691	(27)	931
Total Liabilities and Fund Equity.....................	$ 16,634	$ 212	$ 1,278

MOTOR TRANSPORT REVOLVING FUND	OFFICE SERVICES REVOLVING FUND	STATE SPONSORED GROUP INSURANCE FUND	TOTALS	
			SEPTEMBER 30, 1983	SEPTEMBER 30, 1982
$ 7	$ 1,000	$ 21	$ 1,046	$ 1,007
2,434	-	24,970	33,861	23,493
-	-	1,456	1,456	4,127
-	21	-	273	293
291	1,705	-	8,274	7,844
92	115	513	893	396
92	115	513	893	396
2,825	2,842	26,961	45,804	37,163
30,781	4,529	-	45,845	35,781
30,781	4,529	-	45,845	35,781
(12,132)	(2,186)	-	(19,902)	(17,064)
-	-	10,838	10,838	6,381
$ 21,474	$ 5,185	$ 37,799	$ 82,585	$ 62,261
$ -	$ 489	$ -	$ 613	$ 814
125	61	96	611	343
711	1,078	39,994	42,713	30,680
41	104	-	159	134
-	-	16	16	-
878	1,734	40,107	44,114	31,972
243	981	3,147	4,509	-
1,121	2,716	43,255	48,624	31,972
20,352	2,468	(5,455)	33,961	30,288
20,352	2,468	(5,455)	33,961	30,288
$ 21,474	$ 5,185	$ 37,799	$ 82,585	$ 62,261

STATE OF MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS AND CONTRIBUTIONS

INTERNAL SERVICE FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 1983

(In Thousands)

	CORRECTIONAL INDUSTRIES REVOLVING FUND	FEDERAL SURPLUS REVOLVING FUND	CENTRAL DRUG REPACKAGING REVOLVING FUND
OPERATING REVENUES	$ 11,785	$ 682	$ 4,667
OPERATING EXPENSES:			
Salaries, wages, and other administrative expenses	6,741	729	437
Depreciation	407	22	-
Purchases for resale	-	-	4,235
Purchases for manufacturing	4,333	-	-
Payment of premiums and claims	-	-	-
Total Operating Expenses	11,482	752	4,674
Operating Income (Loss)	303	(70)	(7)
NONOPERATING REVENUES (EXPENSES):			
Gain (loss) on disposal of fixed assets	3	-	-
Sale of surplus and salvage items	15	-	-
Total Nonoperating Revenues (Expenses)	18	-	-
Income (Loss) Before Operating Transfers	322	(70)	(7)
OPERATING TRANSFERS:			
Operating transfers in	1,699	-	-
Operating transfers out	(62)	(39)	(18)
Total Operating Transfers In (Out)	1,637	(39)	(18)
Net Income (Loss) Before Accounting Change	1,960	(109)	(25)
Cumulative Effect of Accounting Change	-	(115)	(27)
Net Income (Loss)	1,960	(225)	(53)
Retained Earnings and Contributions (Deficit) - October 1	13,730	198	984
Contributed capital-fixed assets	-	-	-
Equity transfer from (to) other funds	-	-	-
Retained Earnings and Contributions (Deficit) - September 30	$ 15,691	$ (27)	$ 931

MOTOR TRANSPORT REVOLVING FUND	OFFICE SERVICES REVOLVING FUND	STATE SPONSORED GROUP INSURANCE FUND	TOTALS	
			SEPTEMBER 30, 1983	SEPTEMBER 30, 1982
$ 17,049	$ 22,792	$ 187,533	$ 244,512	$ 233,525
9,651	7,852	6,288	31,701	25,870
4,479	464	-	5,375	4,196
-	12,854	-	17,089	16,335
-	-	-	4,333	3,775
-	-	185,841	185,841	182,261
14,131	21,170	192,130	244,341	232,438
2,918	1,621	(4,596)	170	1,087
87	9	-	99	363
17	8	-	41	41
104	18	-	141	404
3,023	1,640	(4,596)	312	1,492
-	-	-	1,699	2,066
(335)	(1,011)	(2)	(1,468)	(1,462)
(335)	(1,011)	(2)	231	603
2,688	628	(4,599)	543	2,095
(236)	(647)	-	(1,027)	-
2,452	(18)	(4,599)	(483)	2,095
13,743	2,487	(856)	30,288	24,921
4,157	-	-	4,157	2,336
-	-	-	-	934
$ 20,352	$ 2,468	$ (5,455)	$ 33,961	$ 30,288

STATE OF MICHIGAN

COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION

INTERNAL SERVICE FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 1983

(In Thousands)

	CORRECTIONAL INDUSTRIES REVOLVING FUND	FEDERAL SURPLUS REVOLVING FUND	CENTRAL DRUG REPACKAGING REVOLVING FUND
SOURCES OF FUNDS:			
Working capital:			
Net income (loss)	$ 1,960	$ (225)	$ (53)
Items not requiring (providing) working capital:			
Depreciation	407	22	-
Compensated absences - long-term portion	-	116	20
Loss (gain) on disposal of fixed assets	(3)	-	-
Increase in other long-term liabilities	-	-	-
Sale of fixed assets	-	-	-
Equity transfer from (to) other funds	-	(85)	(31)
Working Capital Provided (Used)	2,365	(85)	(31)
Contributed fixed assets	-	-	-
Capitalization of leases	-	-	-
Total Sources (Uses) of Funds	$ 2,365	$ (85)	$ (31)
APPLICATION OF FUNDS:			
Increase in other noncurrent assets (net)	$ -	$ -	$ -
Acquisition of fixed assets	188	-	-
Capitalization of fixed assets	-	-	-
Reduction in long-term lease obligation	-	-	-
Net increase (decrease) in working capital	2,176	(85)	(31)
Total Application of Funds	$ 2,365	$ (85)	$ (31)
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL:			
Cash and cash equivalents	$ (1)	$ 1	$ 10
Equity in State Treasurer's Common Cash	2,474	(64)	(182)
Amounts due from other funds	-	-	-
Amounts receivable from local units of government	10	(18)	(13)
Inventories	321	-	167
Other current assets	4	6	23
Warrants outstanding	(222)	-	14
Accounts payable and other accrued liabilities	(409)	(8)	(51)
Amounts due to other funds	-	(1)	-
Deferred revenue	-	-	-
Net Increase (Decrease) in Working Capital	$ 2,176	$ (85)	$ (31)

MOTOR TRANSPORT REVOLVING FUND	OFFICE SERVICES REVOLVING FUND	STATE SPONSORED GROUP INSURANCE FUND	TOTALS	
			SEPTEMBER 30, 1983	SEPTEMBER 30, 1982
$ 2,452	$ (18)	$ (4,599)	$ (483)	$ 2,095
4,479	464	-	5,375	4,196
243	665	-	1,045	-
(87)	(9)	-	(99)	(363)
-	-	3,147	3,147	-
1,577	42	-	1,620	1,414
-	-	-	-	934
8,665	1,144	(1,451)	10,606	8,277
4,157	-	-	4,157	2,336
-	594	-	594	-
$ 12,822	$ 1,739	$ (1,451)	$ 15,358	$ 10,613
$ -	$ -	$ 4,457	$ 4,457	$ 6,381
8,338	1,438	-	9,965	6,264
4,157	-	-	4,157	2,336
-	278	-	278	-
327	21	(5,908)	(3,500)	(4,368)
$ 12,822	$ 1,739	$ (1,451)	$ 15,358	$ 10,613
$ 7	$ -	$ 21	$ 38	$ (16)
538	312	7,490	10,569	20,084
-	-	(2,671)	(2,671)	4,127
-	1	-	(20)	39
139	(198)	-	430	368
16	38	407	497	(931)
(40)	52	(70)	(267)	944
(326)	(167)	(11,070)	(12,033)	(29,054)
(7)	(16)	-	(25)	69
-	-	(16)	(16)	-
$ 327	$ 21	$ (5,908)	$ (3,500)	$ (4,368)

MICHIGAN STATE HOSPITAL FINANCE AUTHORITY

The Authority was organized under Public Act 38 of 1969, as amended, to lend money to nonprofit hospitals for capital improvements or debt refinancing. The Act also empowers the Authority to sell bonds and to enter into loan and other agreements to obtain the necessary funds for such loans. The Authority is comprised of seven members including a chairperson and four public members appointed by the Governor with the advice and consent of the Senate, and two members ex officio (the State Treasurer and the Director of the Department of Public Health).

MICHIGAN HIGHER EDUCATION STUDENT LOAN AUTHORITY

Public Act 222 of 1975, as amended, authorized the establishment of the Michigan Higher Education Student Loan Authority within the Department of Education, for the purpose of making loans to qualified students attending participating institutions of higher education. Under a guarantee agreement entered into with the Michigan Higher Education Assistance Authority, all student loans are guaranteed as to 100% of principal and interest. The Authority may issue revenue-dedicated debt in the principal amounts necessary to provide funds for achieving its purpose. The Authority is governed by the sixteen members of the Michigan Higher Education Assistance Authority who are appointed by the Governor with the consent of the Senate. The Superintendent of Public Instruction, an ex officio member, serves as chairman.

MACKINAC ISLAND STATE PARK COMMISSION

The Mackinac Island State Park Commission was established by P.A. 355 of 1927. It consists of seven members who are appointed by the Governor with the advice and consent of the Senate. The Commission is responsible for the management of the Mackinac Island and Michilimackinac State Parks and has the authority to issue revenue-dedicated bonds.

MICHIGAN ECONOMIC DEVELOPMENT AUTHORITY

The Michigan Economic Development Authority was created by P.A. 70 of 1982 to encourage economic development in the State. The Authority is authorized to issue limited obligation debt and to provide or insure loans to finance development projects. The Authority also receives certain oil and gas related revenues received through the Heritage Trust Fund (an agency fund). Part of those revenues are used for research center grants. Members of the Authority are appointees of the Governor.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

The Michigan State Housing Development Authority was created by P.A. 346 of 1966, as amended, to issue notes and bonds to finance housing for sale or rental to families with low and moderate incomes and to finance home improvements. Members of the Authority are appointed by the Governor.

STATE OF MICHIGAN

COMBINING BALANCE SHEET

STATE AUTHORITIES - PROPRIETARY

1983

(In Thousands)

	MICHIGAN STATE HOSPITAL FINANCE AUTHORITY JUNE 30	MICHIGAN HIGHER EDUCATION STUDENT LOAN AUTHORITY SEPTEMBER 30	MACKINAC ISLAND STATE PARK COMMISSION SEPTEMBER 30
ASSETS			
Current Assets:			
Cash and cash equivalents............	$ 770	$ (159)	$ 162
Amounts due from other funds.........	-	-	-
Amounts receivable from federal governmental agencies..............	-	2,887	-
Investments..........................	300,512	103,801	1,408
Other current assets:			
Interest receivable................	6,521	6,792	-
Miscellaneous......................	81	-	194
Total other current assets..........	6,602	6,792	194
Total Current Assets................	307,884	113,321	1,764
Mortgage notes and loans receivable (net)................................	682,722	173,100	-
Security investments--equities at cost, all others at face value less collections on principal.............	144,165	22,209	-
Security investments--unamortized premium or discount..................	(4,032)	424	-
Property, plant, and equipment:			
Land................................	-	-	200
Buildings and equipment.............	-	-	2,844
Historical objects..................	-	-	324
Construction in progress............	-	-	528
Total property, plant, and equipment	-	-	3,896
Allowance for depreciation............	-	-	(818)
Other noncurrent assets................	-	3,470	-
Total Assets.........................	$ 1,130,739	$ 312,524	$ 4,842
LIABILITIES AND FUND EQUITY			
Current Liabilities:			
Accounts payable and other accrued liabilities.................	$ 7,716	$ 158	$ 16
Amounts due to other funds...........	-	384	-
Bonds and notes payable..............	20,240	40,000	20
Interest payable.....................	32,021	8,967	-
Deferred revenue.....................	4,681	-	-
Escrow funds.........................	-	-	-
Total Current Liabilities...........	64,658	49,509	36
Long-Term Liabilities:			
Bonds and notes payable..............	1,064,723	227,000	480
Unamortized premium (discount).......	(22,597)	-	-
Other long-term liabilities..........	22,228	-	-
Total Liabilities..................	1,129,012	276,509	516
Fund Equity:			
Retained earnings and contributions - undesignated.......................	1,727	10,192	-
Retained earnings and contributions - designated.........................	-	25,823	4,326
Total Fund Equity..................	1,727	36,015	4,326
Total Liabilities and Fund Equity...	$ 1,130,739	$ 312,524	$ 4,842

MICHIGAN ECONOMIC DEVELOPMENT AUTHORITY SEPTEMBER 30	MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY JUNE 30	TOTALS	
		1983	1982
$ 62,958	$ (1,363)	$ 62,368	$ 11,872
-	-	-	3,000
-	-	2,887	1,575
-	214,402	620,123	468,185
583	23,271	37,167	27,987
350	4,561	5,186	2,455
933	27,832	42,353	30,442
63,891	240,871	727,731	515,074
283	1,252,510	2,108,615	1,915,406
-	211,312	377,686	261,328
-	(2,396)	(6,004)	(8,169)
-	-	200	200
-	-	2,844	2,788
-	-	324	324
-	-	528	135
-	-	3,896	3,447
-	-	(818)	(712)
-	2,496	5,966	4,498
$ 64,174	$ 1,704,793	$ 3,217,072	$ 2,690,872
$ -	$ 5,744	$ 13,634	$ 11,095
18	-	402	522
5,765	30,780	96,805	104,131
351	36,550	77,889	57,801
-	7,214	11,895	15,235
-	72,756	72,756	62,265
6,134	153,044	273,381	251,049
34,085	1,482,035	2,808,323	2,325,733
-	(20,673)	(43,270)	(39,223)
-	-	22,228	23,484
40,219	1,614,406	3,060,662	2,561,043
17,288	10,134	39,341	28,674
6,667	80,253	117,069	101,155
23,955	90,387	156,410	129,829
$ 64,174	$ 1,704,793	$ 3,217,072	$ 2,690,872

STATE OF MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS AND CONTRIBUTIONS

STATE AUTHORITIES - PROPRIETARY

FISCAL YEARS ENDED 1983

(In Thousands)

	MICHIGAN STATE HOSPITAL FINANCE AUTHORITY JUNE 30	MICHIGAN HIGHER EDUCATION STUDENT LOAN AUTHORITY SEPTEMBER 30	MACKINAC ISLAND STATE PARK COMMISSION SEPTEMBER 30
OPERATING REVENUES:			
Interest income on loans	$ 54,594	$ 9,933	$ -
Investment revenue (net)	32,738	12,977	-
Miscellaneous operating income:			
Federal revenues	-	5,353	-
Financing fees	783	2,333	-
Admissions	-	-	1,082
Other	-	28	144
Total miscellaneous operating income	783	7,714	1,226
Total Operating Revenues	88,115	30,624	1,226
OPERATING EXPENSES:			
Salaries, wages, and other administrative expenses	800	2,429	1,648
Interest expense	83,268	22,789	-
Depreciation	-	-	106
Purchases for resale	-	-	22
Other operating expenses:			
Provision for possible losses on mortgage loans	-	-	-
Amortization of deferred issue costs	-	1,421	-
Research center grants	-	-	-
Allocation of investment revenue to hospitals	3,169	-	-
Miscellaneous	539	1,323	50
Total other operating expenses	3,708	2,744	50
Total Operating Expenses	87,776	27,962	1,826
Operating Income (Loss)	339	2,662	(600)
NONOPERATING REVENUES (EXPENSES):			
Interest revenue (expense)	-	-	110
Mineral rights revenue	-	-	-
Total Nonoperating Revenues (Expenses)	-	-	110
Income (Loss) Before Operating Transfers	339	2,662	(490)
OPERATING TRANSFERS:			
Operating transfers in	-	-	586
Operating transfers out	-	-	-
Total Operating Transfers In (Out)	-	-	586
Net Income (Loss)	339	2,662	96
Retained Earnings and Contributions - Beginning of Fiscal Year	1,388	33,353	4,230
Retained Earnings and Contributions - End of Fiscal Year	$ 1,727	$ 36,015	$ 4,326

MICHIGAN ECONOMIC DEVELOPMENT AUTHORITY SEPTEMBER 30	MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY JUNE 30	TOTALS FISCAL YEARS ENDED	
		1983	1982
$ -	$ 105,869	$ 170,396	$ 141,555
4,666	36,971	87,352	79,404
-	-	5,353	8,753
-	4,269	7,385	4,419
-	-	1,082	905
11	58	241	1,832
11	4,327	14,061	15,909
4,677	147,167	271,809	236,868
222	8,578	13,677	13,001
3,518	121,162	230,737	187,969
-	-	106	104
-	-	22	6
-	1,710	1,710	1,143
-	474	1,895	978
2,250	-	2,250	-
-	-	3,169	5,054
1,425	1,935	5,272	3,472
3,675	4,119	14,296	10,647
7,415	133,859	258,838	211,727
(2,738)	13,308	12,971	25,141
-	-	110	142
10,500	-	10,500	-
10,500	-	10,610	142
7,762	13,308	23,581	25,283
3,500	-	4,086	13,480
(117)	(969)	(1,086)	(439)
3,383	(969)	3,000	13,041
11,145	12,339	26,581	38,324
12,810	78,048	129,829	91,505
$ 23,955	$ 90,387	$ 156,410	$ 129,829

STATE OF MICHIGAN

COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION

STATE AUTHORITIES - PROPRIETARY

FISCAL YEARS ENDED 1983

(In Thousands)

	MICHIGAN STATE HOSPITAL FINANCE AUTHORITY JUNE 30	MICHIGAN HIGHER EDUCATION STUDENT LOAN AUTHORITY SEPTEMBER 30	MACKINAC ISLAND STATE PARK COMMISSION SEPTEMBER 30
SOURCES OF FUNDS:			
Working capital:			
Net income (loss).........................	$ 339	$ 2,662	$ 96
Items not requiring (providing) working capital:			
Depreciation..........................	-	-	106
Provision for losses on mortgage loans..............................	-	-	-
Amortization of deferred items........	-	1,421	-
Working Capital Provided (Used)..........	339	4,083	202
Proceeds from bonds and notes sold..........	301,730	120,000	-
Principal repayments on loans..............	34,016	20,851	-
Decrease in noncurrent investments (net)....	-	-	-
Total Sources (Uses) of Funds...........	$ 336,085	$ 144,934	$ 202
APPLICATION OF FUNDS:			
Increase in noncurrent investments (net)....	$ 52,232	$ 14,484	$ -
New loans issued...........................	124,538	46,567	-
Decrease in long-term bonds and notes payable.................................	25,279	40,000	20
Increase in other noncurrent assets.........	-	2,764	-
Acquisition of fixed assets................	-	-	449
Decrease in other long-term liabilities.....	1,256	-	-
Net increase (decrease) in working capital..	132,780	41,119	(267)
Total Application of Funds..............	$ 336,085	$ 144,934	$ 202
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL:			
Cash and cash equivalents..................	$ 216	$ (725)	$ (16)
Amounts due from other funds...............	-	-	-
Amounts due from federal governmental agencies................................	-	1,312	-
Investments................................	152,727	14,887	(279)
Other current assets.......................	3,946	3,412	(25)
Accounts payable and other accrued liabilities.............................	(1,076)	202	33
Amounts due to other funds.................	-	(4)	-
Bonds and notes payable - current...........	(6,419)	24,000	20
Interest payable on bonds and notes.........	(15,801)	(1,965)	-
Deferred revenue...........................	(813)	-	-
Escrow funds...............................	-	-	-
Net Increase (Decrease) in Working Capital...............................	$ 132,780	$ 41,119	$ (267)

MICHIGAN ECONOMIC DEVELOPMENT AUTHORITY SEPTEMBER 30	MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY JUNE 30	TOTALS FISCAL YEARS ENDED	
		1983	1982
$ 11,145	$ 12,339	$ 26,581	$ 38,324
-	-	106	104
-	1,710	1,710	1,143
-	4,427	5,848	2,839
11,145	18,476	34,245	42,410
45,700	121,554	588,984	286,340
-	29,072	83,939	37,587
-	-	-	30,700
$ 56,845	$ 169,102	$ 707,168	$ 397,037
$ -	$ 51,808	$ 118,524	$ -
282	106,826	278,213	268,426
11,615	38,125	115,039	103,917
-	599	3,363	3,002
-	-	449	209
-	-	1,256	6,929
44,948	(28,256)	190,324	14,554
$ 56,845	$ 169,102	$ 707,168	$ 397,037
$ 52,961	$ (1,941)	$ 50,495	$ 9,750
(3,000)	-	(3,000)	3,000
-	-	1,312	(1,489)
-	(15,397)	151,938	53,352
924	3,655	11,912	3,199
54	(1,754)	(2,541)	(4,645)
125	-	121	(341)
(5,765)	(4,510)	7,326	(14,369)
(351)	(1,971)	(20,088)	(7,864)
-	4,153	3,340	(14,889)
-	(10,491)	(10,491)	(11,150)
$ 44,948	$ (28,256)	$ 190,324	$ 14,554

STATE OF MICHIGAN

DESCRIPTIONS OF TRUST FUNDS - OTHER, AND AGENCY FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 1983

TRUST FUNDS - OTHER

This group includes the State Office Building Bond Redemption Fund, Michigan Employment Security Act Contingency Fund, Hospital Patients' Benefit Fund, Special Federal Bridge Replacement Fund, Michigan State Accident Fund, State Employees' Health Maintenance Fund, Children's Institute Trust Fund, Federal County Road Fund, Gifts, Bequests, and Deposits Investment Fund, Silicosis, Dust Disease, and Logging Industry Compensation Fund, Federal Urban Transportation System Fund, Agricultural College Fund-Morrill Act, Michigan Higher Education Assistance Authority Fund, Second Injury Fund, Municipal Employees' Retirement Fund, Highway Topics and Safety Program Fund, Hospital Patients' Trust Fund, Federal Housing Administration Mortgages Escrow Fund, Self-Insurers' Security Fund, State Employees' Deferred Compensation Fund, Special Assessment Deferment Fund, the Urban Land Assembly Loan Fund, Utility Consumer Representation Fund, and U.S. Truck Company, Inc. Workers' Compensation Trust Fund.

The trust funds listed above are not reported in individual statements in this annual report, but are shown in a single statement column which may be found in the statement entitled "Combining Balance Sheet - Trust and Agency Funds - By Classification," in the column headed "Other Trust Funds." They are also reported on the statement entitled "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances," in the column entitled "Expendable Trust Funds."

RECEIPTS CLEARING FUND

This fund is used by several State departments primarily as a depository for various receipts; the classification as to type of revenue being unknown at the time of deposit. Subsequent to the deposit of monies in this fund, the participating departments initiate a determination procedure to clear this fund of deposits made and to credit the proper funds and accounts for revenues received.

METROPOLITAN PLANNING FUND

This fund was established by the Federal Highway Act of 1973, Section 112 and 134 to account for Federal "pass through" funds that reimburse local regional planning agencies for operating expenses. Local money is advanced to the fund, approximately 80% of which is reimbursed to the local unit by the federal government. The financing accounted for in this fund consists of federal and local money, and no State funds are involved.

ESCHEATS FUND

This fund created by P.A. 329 of 1947, as amended, provides for an accounting of property, tangible or intangible, which is subject to escheat. Property becomes subject to escheat when the owner dies intestate; disappears, or is missing from his last known place of residence for a continuous period of seven years or more, leaving no known heirs-at-law or abandons property for a period of seven years. P. A. 96 of 1983 authorized a $20 million dollar transfer, in 1982-83, to the General Fund prior to escheat. This transfer, however, does not restrict, impair, or abrogate the right of redemption provided by the escheat laws. Additional transfers to the General Fund are intended to be curtailed until escheated property, within the Escheats Fund, exceeds the authorized $20 million dollar General Fund transfer. The next General Fund transfer is expected to be made during 1984-85. The provisions of the escheat laws are performed and regulated by the Escheats Division, Department of Treasury.

CONTRIBUTION FUND (SOCIAL SECURITY)

The function of this fund is to account for monies provided for social security coverage of employees of the State of Michigan and its political subdivisions. The fund, established by P.A. 205 of 1951, is administered by the State Employees' Retirement Board. Social Security reports and contributions by the employee and the employer are reported to the board. The various reports and contributions are recapped and forwarded to the Federal Social Security Administration. The administrative costs are prorated to the various reporting units.

AIRPORT AUTHORITIES FACILITIES IMPROVEMENT TRUST FUND

This fund was authorized by P.A. 327 of 1945. The purpose of the fund is to hold in trust, monies deposited by local airport authorities for the purchase of land for local airport improvements. The land purchase transactions are administered by the Right of Way Division of the Department of Transportation. The deposits cover the land purchase price and the purchase administrative costs. No State funds are involved.

SCHOOL EMERGENCY LOAN REVOLVING FUND

This fund was authorized by P.A. 8 of 1977 to furnish emergency financial assistance to insolvent school districts. Since the loan authority expired June 30, 1983, collection of outstanding loans has been the sole purpose of the fund. Loan repayments with interest are transferred annually to the General Fund.

HAZARDOUS AND SOLID WASTE DISPOSAL FACILITIES CLOSURE GUARANTEE FUND

This fund was authorized by P.A. 641 of 1978, as amended, and Act 64 of 1979 to account for cash bonds posted by applicants desiring licenses to operate hazardous and solid waste disposal areas. In accordance with P.A. 641 of 1978, as amended, interest earnings up to 6% are credited to the applicants account. This act also specifies the circumstances under which the director of the Department of Natural Resources is authorized to use the deposits to close and maintain a facility or return the deposit to the operator upon his satisfactory closure and maintenance of such facility.

HERITAGE TRUST FUND

This fund was created by P.A. 327 of 1982, as amended, to record deposits of certain bonuses, rentals, delayed rentals, and royalties collected by the State under provisions of specific State oil and gas leases until September 30, 2032. These monies are then distributed quarterly to the Michigan Economic Development Authority as specified by the Act. The Act also provides for a transfer to the State Recreational Land Acquisition Trust Fund of any balance remaining in the fund on July 1 of each year.

STATE OF MICHIGAN

COMBINING BALANCE SHEET

TRUST AND AGENCY FUNDS - BY CLASSIFICATION

SEPTEMBER 30, 1983

(In Thousands)

	RETIREMENT RELATED TRUST FUNDS	OTHER TRUST FUNDS	AGENCY FUNDS	TOTALS SEPTEMBER 30, 1983	TOTALS SEPTEMBER 30, 1982
ASSETS					
Current Assets:					
Cash and cash equivalents	$ 89	$ 58	$ 2,536	$ 2,684	$ 1,961
Equity in State Treasurer's Common Cash	220,984	153,071	128,662	502,718	617,989
Taxes, interest, and penalties receivable	-	5,113	-	5,113	-
Amounts due from other funds	13,646	4,355	24,035	42,036	41,486
Amounts receivable from federal governmental agencies	-	17,908	375	18,283	15,895
Amounts receivable from local units of government	41,668	9,409	219	51,296	40,493
Investments	487,757	56,442	-	544,200	56,627
Other current assets	125,715	30,115	1,808	157,639	188,676
Total Current Assets	889,861	276,475	157,637	1,323,974	963,130
Amounts receivable from local units of government	-	2,075	-	2,075	2,150
Security investments -- equities at cost, all others at face value less collections on principal	8,006,735	989,264	-	8,995,999	8,023,208
Security investments -- unamortized premium or discount	(534,351)	(7,521)	-	(541,873)	(601,153)
Other noncurrent assets	-	2,231	750	2,981	5,461
Total Assets	$ 8,362,245	$ 1,262,524	$ 158,387	$ 9,783,156	$ 8,392,796
LIABILITIES AND FUND BALANCES					
Current Liabilities:					
Liability to State Treasurer's Common Cash	$ -	$ 5	$ -	$ 5	$ 1,134
Warrants outstanding	8,152	2,282	69,661	80,096	72,006
Accounts payable and other accrued liabilities	43,403	15,103	87,473	145,981	153,959
Amounts due to other funds	-	633	501	1,135	1,456
Interest payable	-	25,406	-	25,406	-
Total Current Liabilities	51,556	43,431	157,637	252,625	228,557
Long-Term Liabilities:					
Amounts due to other funds	-	2,576	750	3,326	5,444
Other long-term liabilities	-	4,079	-	4,079	4,079
Total Liabilities	51,556	50,087	158,387	260,030	238,082
Fund Balances:					
Reserved for retirement system	8,310,689	-	-	8,310,689	7,122,800
Unreserved	-	1,212,436	-	1,212,436	1,031,913
Total Fund Balances	8,310,689	1,212,436	-	9,523,125	8,154,714
Total Liabilities and Fund Balances	$ 8,362,245	$ 1,262,524	$ 158,387	$ 9,783,156	$ 8,392,796

STATE OF MICHIGAN

DESCRIPTIONS OF TRUST FUNDS - RETIREMENT

FISCAL YEAR ENDED SEPTEMBER 30, 1983

LEGISLATIVE RETIREMENT FUND

The Legislative Retirement System was created by P.A. 261 of 1957 to provide retirement allowances, survivors' allowances, and other benefits for members of the Legislature and the presiding officers and their widows or children.

Participants in the system have a deduction from each salary payment to partly finance the fund. In addition, legislative appropriations, interest on fund investments, and court fees complete the financing.

STATE POLICE PENSION, ACCIDENT, AND DISABILITY FUND

This fund was created by P.A. 251 of 1935 to provide retirement benefits for State Police officers and is administered by the Director for the Department of State Police under the supervision of the State Administrative Board. Financing is provided by investment income and by an annual legislative appropriation from the General Fund

STATE EMPLOYEES' RETIREMENT FUND

This fund was established by P.A. 240 of 1943 and is administered by a nine member board under the direction of an Executive Secretary. P.A. 216 of 1974 eliminated the requirement for member contributions and provided for financing entirely by legislative appropriation. Financing requirements are based on an actuarial percentage of members' current salaries and wages. Administrative costs are financed by the investment earnings of the fund.

PUBLIC SCHOOL EMPLOYEES' RETIREMENT FUND

In accordance with P.A. 300 of 1980, on October 1, 1981 the Public School Employees' Chapter I Retirement Fund was merged with the Public School Employees' Chapter II Retirement Fund to establish the Public School Employees' Retirement Fund. The two original funds were created by Public Acts 136 of 1945 and 259 of 1974, respectively.

Financing for the fund is based upon an actuarial determination that is funded by both annual appropriations by the Legislature and employer contributions. Benefit payments and administrative costs are the principal expenses of the fund. Administrative policy is governed by an eight member board.

PROBATE JUDGES' AND JUDGES' RETIREMENT FUNDS

P.A. 198 of 1951 and P.A. 165 of 1954 created the Judges' and Probate Judges' Retirement Funds respectively. These funds are administered by their respective boards under direction of the Executive Secretary of the State Employees' Retirement Fund. Financing is from member contributions, court filing fees as provided under law, and legislative appropriations. Amendments to the basic law by P.A. 508 and P.A. 510 of 1982 closed the Probate Judges' Retirement Fund to new members. As of January 1983, all new members of the judicial retirement system will be included in the Judges' Retirement Fund.

STATE OF MICHIGAN

COMBINING BALANCE SHEET

TRUST FUNDS

(RETIREMENT)

SEPTEMBER 30, 1983

(In Thousands)

	LEGISLATIVE RETIREMENT FUND	STATE POLICE PENSION, ACCIDENT, AND DISABILITY FUND	STATE EMPLOYEES' RETIREMENT FUND
ASSETS			
Current Assets:			
Cash and cash equivalents................	$ -	$ -	$ 78
Equity in State Treasurer's Common Cash..	6,530	5,975	37,772
Amounts due from other funds............	158	97	8,885
Amounts receivable from local units of government............................	42	-	-
Investments..............................	-	10,827	107,958
Other current assets:			
Miscellaneous..........................	850	2,763	28,237
Total other current assets.............	850	2,763	28,237
Total Current Assets....................	7,581	19,663	182,931
Security investments--equities at cost, all others at face value less collections on principal..............................	25,132	173,906	1,760,041
Security investments--unamortized premium or discount............................	(1,338)	(9,403)	(113,634)
Total Assets............................	$ 31,376	$ 184,166	$ 1,829,338
LIABILITIES AND FUND BALANCES			
Current Liabilities:			
Warrants outstanding.....................	$ 29	$ 73	$ 914
Accounts payable and other accrued liabilities...........................	-	90	12,678
Total Current Liabilities...............	29	164	13,592
Total Liabilities.......................	29	164	13,592
Fund Balances:			
Reserved for Retirement Benefits.........	31,346	184,001	1,815,745
Total Fund Balances....................	31,346	184,001	1,815,745
Total Liabilities and Fund Balances.....	$ 31,376	$ 184,166	$ 1,829,338

PUBLIC SCHOOL EMPLOYEES' RETIREMENT FUND	PROBATE JUDGES' RETIREMENT FUND	JUDGES' RETIREMENT FUND	TOTALS	
			SEPTEMBER 30, 1983	SEPTEMBER 30, 1982
$ 10	$ -	$ -	$ 89	$ 108
167,975	249	2,481	220,984	340,481
4,442	5	58	13,646	15,835
41,625	-	-	41,668	29,506
365,578	585	2,808	487,757	50
92,496	325	1,041	125,715	162,266
92,496	325	1,041	125,715	162,266
672,129	1,166	6,389	889,861	548,249
5,995,981	8,405	43,268	8,006,735	7,195,110
(407,813)	(172)	(1,988)	(534,351)	(581,822)
$ 6,260,296	$ 9,399	$ 47,668	$ 8,362,245	$ 7,161,536
$ 7,091	$ 9	$ 33	$ 8,152	$ 5,965
30,610	5	17	43,403	32,770
37,702	15	51	51,556	38,736
37,702	15	51	51,556	38,736
6,222,594	9,384	47,616	8,310,689	7,122,800
6,222,594	9,384	47,616	8,310,689	7,122,800
$ 6,260,296	$ 9,399	$ 47,668	$ 8,362,245	$ 7,161,536

STATE OF MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES

TRUST FUNDS

(RETIREMENT)

FISCAL YEAR ENDED SEPTEMBER 30, 1983

(In Thousands)

	LEGISLATIVE RETIREMENT FUND	STATE POLICE PENSION, ACCIDENT, AND DISABILITY FUND	STATE EMPLOYEES' RETIREMENT FUND
OPERATING REVENUES:			
Contributions from members and employers	$ 1,492	$ 17,175	$ 134,729
Investment revenue (net)	2,913	22,804	221,446
Miscellaneous operating income:			
Court fees for administration and annuities	904	-	-
Miscellaneous	-	-	3
Total miscellaneous operating income	904	-	3
Total Operating Revenues	5,310	39,980	356,179
OPERATING EXPENSES:			
Salaries, wages, and other administrative expenses	81	54	823
Benefits, insurance, and refunds:			
Benefits paid to participants or beneficiaries	1,230	8,705	82,515
Medical, dental, and life insurance for retirants	414	1,499	18,414
Refunds to terminated members	38	1	528
Total benefits, insurance, and refunds	1,684	10,205	101,458
Total Operating Expenses	1,765	10,260	102,281
Operating Income	3,544	29,720	253,898
OPERATING TRANSFERS:			
Operating transfers in	-	-	55
Operating transfers out	(8)	(67)	(595)
Total Operating Transfers In (Out)	(8)	(67)	(540)
Net Income	3,535	29,652	253,358
Fund Balances - October 1	27,810	154,349	1,562,386
Fund Balances - September 30	$ 31,346	$ 184,001	$ 1,815,745

			TOTALS	
			FISCAL YEAR ENDED	
PUBLIC SCHOOL EMPLOYEES' RETIREMENT FUND	PROBATE JUDGES' RETIREMENT FUND	JUDGES' RETIREMENT FUND	SEPTEMBER 30, 1983	SEPTEMBER 30, 1982
$ 482,198	$ 299	$ 1,611	$ 637,506	$ 593,969
742,186	959	5,166	995,477	665,588
-	654	4,018	5,577	4,170
11	-	-	14	15
11	654	4,018	5,592	4,185
1,224,395	1,913	10,796	1,638,576	1,263,743
2,494	31	107	3,593	3,263
287,700	630	2,248	383,032	343,436
36,084	-	-	56,412	42,706
3,976	33	33	4,610	7,022
327,761	664	2,281	444,055	393,165
330,256	696	2,389	447,649	396,428
894,139	1,217	8,406	1,190,927	867,315
6	-	25	87	90
(1,665)	(10)	(778)	(3,126)	(2,030)
(1,658)	(10)	(753)	(3,039)	(1,940)
892,481	1,206	7,653	1,187,888	865,375
5,330,113	8,177	39,963	7,122,800	6,257,425
$ 6,222,594	$ 9,384	$ 47,616	$ 8,310,689	$ 7,122,800

STATE OF MICHIGAN

COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION

TRUST FUNDS

(RETIREMENT)

FISCAL YEAR ENDED SEPTEMBER 30, 1983

(In Thousands)

	LEGISLATIVE RETIREMENT FUND	STATE POLICE PENSION, ACCIDENT, AND DISABILITY FUND	STATE EMPLOYEES' RETIREMENT FUND
SOURCES OF FUNDS:			
Working capital:			
Net income	$ 3,535	$ 29,652	$ 253,358
Working Capital Provided	3,535	29,652	253,358
Total Sources of Funds	$ 3,535	$ 29,652	$ 253,358
APPLICATION OF FUNDS:			
Increase in noncurrent investments (net)	$ 3,839	$ 27,064	$ 217,099
Net increase (decrease) in working capital	(303)	2,588	36,259
Total Application of Funds	$ 3,535	$ 29,652	$ 253,358
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL:			
Cash and cash equivalents	$ -	$ -	$ 20
Equity in State Treasurer's Common Cash	(378)	(7,494)	(63,587)
Amounts due from other funds	(54)	(238)	675
Amounts receivable from local units of government	(14)	-	-
Investments	-	10,827	107,908
Other current assets	122	(458)	(5,528)
Warrants outstanding	(5)	28	201
Accounts payable and other accrued liabilities	25	(75)	(3,431)
Amounts due to other funds	-	-	-
Net Increase (Decrease) in Working Capital	$ (303)	$ 2,588	$ 36,259

PUBLIC SCHOOL EMPLOYEES' RETIREMENT FUND	PROBATE JUDGES' RETIREMENT FUND	JUDGES' RETIREMENT FUND	TOTALS	
			FISCAL YEAR ENDED	
			SEPTEMBER 30, 1983	SEPTEMBER 30, 1982
892,481	$ 1,206	$ 7,653	$ 1,187,888	$ 865,375
892,481	1,206	7,653	1,187,888	865,375
$ 892,481	$ 1,206	$ 7,653	$ 1,187,888	$ 865,375
$ 602,996	$ 1,002	$ 7,093	$ 859,096	$ 974,754
289,484	204	560	328,791	(109,379)
$ 892,481	$ 1,206	$ 7,653	$ 1,187,888	$ 865,375
$ -	$ -	$ (39)	$ (18)	$ 58
(45,412)	(401)	(2,223)	(119,497)	(154,610)
(2,493)	(12)	(65)	(2,189)	(20,444)
12,175	-	-	12,161	6,998
365,578	585	2,808	487,707	(25)
(30,830)	38	104	(36,551)	61,780
(2,403)	-	(7)	(2,187)	3,222
(7,130)	(5)	(16)	(10,633)	(6,371)
-	-	-	-	11
$ 289,484	$ 204	$ 560	$ 328,791	$ (109,379)

STATE OF MICHIGAN

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 1983

(In Thousands)

RECEIPTS CLEARING FUND	BALANCE OCTOBER 1, 1982	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 1983
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 1,816	$ 2,536	$ 1,816	$ 2,536
Equity in State Treasurer's Common Cash	-	1,448,933	1,447,928	1,004
Other current assets	499	1,287	1,147	639
Total Assets	$ 2,316	$ 1,452,756	$ 1,450,892	$ 4,180
LIABILITIES				
Current Liabilities:				
Liability to State Treasurer's Common Cash	$ 1,023	$ -	$ 1,023	$ -
Warrants outstanding	440	-	363	76
Accounts payable and other accrued liabilities	452	1,433,034	1,429,684	3,801
Amounts due to other funds	400	301	400	301
Total Liabilities	$ 2,316	$ 1,433,336	$ 1,431,472	$ 4,180

METROPOLITAN PLANNING FUND	BALANCE OCTOBER 1, 1982	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 1983
ASSETS				
Current Assets:				
Equity in State Treasurer's Common Cash	$ 2	$ 1,810	$ 1,800	$ 12
Amounts receivable from federal governmental agencies	120	375	120	375
Total Assets	$ 122	$ 2,186	$ 1,920	$ 387
LIABILITIES				
Current Liabilities:				
Warrants outstanding	$ -	$ 9	$ -	$ 9
Accounts payable and other accrued liabilities	122	2,481	2,225	378
Total Liabilities	$ 122	$ 2,490	$ 2,225	$ 387

ESCHEATS FUND	BALANCE OCTOBER 1, 1982	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 1983
ASSETS				
Current Assets:				
Equity in State Treasurer's Common Cash	$ 28,380	$ 10,657	$ 21,870	$ 17,167
Amounts due from other funds	4	5	4	5
Other current assets	1,133	192	156	1,168
Total Assets	$ 29,518	$ 10,855	$ 22,032	$ 18,341
LIABILITIES				
Current Liabilities:				
Warrants outstanding	$ 52	$ -	$ 19	$ 33
Accounts payable and other accrued liabilities	29,465	10,356	21,514	18,307
Total Liabilities	$ 29,518	$ 10,356	$ 21,533	$ 18,341

Continued on next page

STATE OF MICHIGAN

COMBINING STATEMENT OF CHANGES IN ASSETS AND

LIABILITIES - AGENCY FUNDS (Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 1983

(In Thousands)

CONTRIBUTION FUND (SOCIAL SECURITY)	BALANCE OCTOBER 1, 1982	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 1983
ASSETS				
Current Assets:				
Equity in State Treasurer's Common Cash	$ 92,333	$ 1,086,577	$ 1,077,567	$ 101,343
Amounts due from other funds	21,460	23,943	21,460	23,943
Other current assets	-	11	11	-
Total Assets	$ 113,793	$ 1,110,532	$ 1,099,038	$ 125,287
LIABILITIES				
Current Liabilities:				
Warrants outstanding	$ 62,920	$ 6,621	$ -	$ 69,542
Accounts payable and other accrued liabilities	50,873	1,127,072	1,122,200	55,745
Total Liabilities	$ 113,793	$ 1,133,694	$ 1,122,200	$ 125,287
AIRPORT AUTHORITIES FACILITIES IMPROVEMENT TRUST FUND				
ASSETS				
Current Assets:				
Equity in State Treasurer's Common Cash	$ 307	$ 280	$ 309	$ 277
Amounts due from other funds	11	6	11	6
Total Assets	$ 318	$ 286	$ 321	$ 283
LIABILITIES				
Current Liabilities:				
Accounts payable and other accrued liabilities	$ 318	$ 70	$ 104	$ 283
Total Liabilities	$ 318	$ 70	$ 104	$ 283
SCHOOL EMERGENCY LOAN REVOLVING FUND				
ASSETS				
Current Assets:				
Equity in State Treasurer's Common Cash	$ -	$ 2,671	$ 2,671	$ -
Amounts receivable from local units of government	598	38	417	219
Total Current Assets	598	2,709	3,089	219
Noncurrent Assets	2,930	-	2,180	750
Total Assets	$ 3,528	$ 2,709	$ 5,269	$ 969
LIABILITIES				
Current Liabilities:				
Accounts payable and other accrued liabilities	$ 178	$ 108	$ 268	$ 19
Amounts due to other funds	420	-	220	200
Total Current Liabilities	598	108	488	219
Long-term Liabilities:				
Amounts due to other funds	2,930	-	2,180	750
Total Liabilities	$ 3,528	$ 108	$ 2,668	$ 969

Continued on next page

STATE OF MICHIGAN

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS (Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 1983

(In Thousands)

HAZARDOUS AND SOLID WASTE DISPOSAL FACILITIES CLOSURE GUARANTEE FUND	BALANCE OCTOBER 1, 1982	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 1983
ASSETS				
Current Assets:				
Equity in State Treasurer's Common Cash..............	$ 62	$ 80	$ 36	$ 106
Amounts due from other funds.........................	1	2	1	2
Total Assets...	$ 63	$ 83	$ 38	$ 108
LIABILITIES				
Current Liabilities:				
Accounts payable and other accrued liabilities.......	$ 63	$ 81	$ 36	$ 108
Total Liabilities....................................	$ 63	$ 81	$ 36	$ 108

HERITAGE TRUST FUND

	BALANCE OCTOBER 1, 1982	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 1983
ASSETS				
Current Assets:				
Equity in State Treasurer's Common Cash..............	$ -	$ 22,131	$ 13,380	$ 8,751
Amounts due from other funds.........................	-	78	-	78
Total Assets...	$ -	$ 22,209	$ 13,380	$ 8,829
LIABILITIES				
Current Liabilities:				
Accounts payable and other accrued liabilities.......	$ -	$ 22,209	$ 13,380	$ 8,829
Total Liabilities....................................	$ -	$ 22,209	$ 13,380	$ 8,829

TOTALS - ALL AGENCY FUNDS

	BALANCE OCTOBER 1, 1982	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 1983
ASSETS				
Current Assets:				
Cash and cash equivalents............................	$ 1,816	$ 2,536	$ 1,816	$ 2,536
Equity in State Treasurer's Common Cash..............	121,085	2,573,143	2,565,566	128,662
Amounts due from other funds.........................	21,477	24,035	21,477	24,035
Amounts receivable from federal governmental agencies	120	375	120	375
Amounts receivable from local units of government....	598	38	417	219
Other current assets.................................	1,633	1,490	1,315	1,808
Total Current Assets.................................	146,731	2,601,619	2,590,713	157,637
Noncurrent Assets....................................	2,930	-	2,180	750
Total Assets...	$ 149,661	$ 2,601,619	$ 2,592,893	$ 158,387
LIABILITIES				
Current Liabilities:				
Liability to State Treasurer's Common Cash...........	$ 1,023	$ -	$ 1,023	$ -
Warrants outstanding.................................	63,413	6,630	382	69,661
Accounts payable and other accrued liabilities.......	81,473	2,595,415	2,589,415	87,473
Amounts due to other funds...........................	820	301	620	501
Total Current Liabilities............................	146,731	2,602,347	2,591,442	157,637
Long-term Liabilities:				
Amounts due to other funds...........................	2,930	-	2,180	750
Total Liabilities....................................	$ 149,661	$ 2,602,347	$ 2,593,622	$ 158,387

FINANCIAL SECTION

SUPPLEMENTAL FINANCIAL DATA—SCHEDULES

STATE OF MICHIGAN

SCHEDULE OF GENERAL OBLIGATION LONG-TERM DEBT

SEPTEMBER 30, 1983

(In Thousands)

AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE PAYMENT OF GENERAL OBLIGATION LONG-TERM DEBT

Serial Bonds		
Amount available in debt service funds		
School Loan Bond Redemption Fund		$ 7,960
Amount to be provided		
School loan bonds	$ 36,339	
Water pollution control bonds	133,000	
Public recreation bonds	14,000	
Vietnam veteran era bonus bonds	118,000	301,339
TOTAL AVAILABLE AND TO BE PROVIDED		$ 309,300

GENERAL OBLIGATION LONG-TERM DEBT PAYABLE

Serial bonds payable	$ 309,300
TOTAL GENERAL OBLIGATION LONG-TERM DEBT PAYABLE	$ 309,300

STATE OF MICHIGAN

SCHEDULE OF REVENUE DEDICATED LONG-TERM DEBT

OVERSIGHT ENTITY

SEPTEMBER 30, 1983

(In Thousands)

AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE PAYMENT OF REVENUE DEDICATED LONG-TERM DEBT - OVERSIGHT ENTITY

Serial Bonds		
Amount available in debt service funds		
State Park Revenue Bond Fund		$ 2,582
Comprehensive Transportation Bond and Interest Redemption Fund		130
1983 State Trunkline Fund Bond and Interest Redemption Fund		12
Expressways Bond and Interest Redemption Fund		5,913
		8,638
Amount to be provided		
State park revenue bonds	$ 8,917	
Transportation tax dedicated bonds	329,852	
Transportation joint effort tax dedicated bonds	2,401	341,171
TOTAL AVAILABLE AND TO BE PROVIDED		$ 349,810

REVENUE DEDICATED LONG-TERM DEBT PAYABLE

Serial bonds payable	$ 349,810
TOTAL REVENUE DEDICATED LONG-TERM DEBT PAYABLE - OVERSIGHT ENTITY	$ 349,810

STATE OF MICHIGAN

SCHEDULE OF REVENUE DEDICATED LONG-TERM DEBT

STATE AUTHORITIES - GOVERNMENTAL

1983

(In Thousands)

AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE PAYMENT OF REVENUE DEDICATED LONG-TERM DEBT - STATE AUTHORITIES - GOVERNMENTAL

Amount available		
State Building Authority		$ 163,183
Mackinac Bridge Authority		590
		163,774
Amount to be provided		
State Building Authority	$ 280,831	
Mackinac Bridge	14,895	295,726
TOTAL AVAILABLE AND TO BE PROVIDED		$ 459,501

REVENUE DEDICATED LONG-TERM DEBT PAYABLE

Bonds payable	$ 459,501
TOTAL REVENUE DEDICATED LONG-TERM DEBT PAYABLE - STATE AUTHORITIES - GOVERNMENTAL	$ 459,501

STATE OF MICHIGAN

SUMMARY OF DEBT SERVICE REQUIREMENTS TO MATURITY

1983

(In Thousands)

ANNUAL PRINCIPAL AND INTEREST REQUIREMENTS

		REVENUE DEDICATED BONDS		
FISCAL YEARS ENDING	GENERAL OBLIGATION BONDS	OVERSIGHT ENTITY	STATE AUTHORITIES-GOVERNMENTAL	TOTAL
1984............	$ 65,068	$ 52,933	$ 51,967	$ 169,969
1985............	63,126	51,972	52,267	167,367
1986............	61,092	44,190	52,293	157,576
1987............	47,743	40,338	52,341	140,422
1988............	29,630	34,115	54,248	117,994
1989............	25,467	34,227	54,317	114,012
1990............	16,533	33,909	54,301	104,744
1991............	10,909	33,765	54,343	99,018
1992............	10,478	33,662	54,403	98,543
1993............	10,084	33,505	53,293	96,882
1994............	6,765	33,168	68,814	108,748
1995............	5,518	33,046	52,596	91,161
1996............	5,343	31,997	50,766	88,107
1997............	5,242	31,866	48,614	85,723
1998............	5,141	31,910	44,453	81,506
1999............	4,060	31,816	41,215	77,092
2000............	-	14,643	40,318	54,961
2001............	-	14,630	40,319	54,949
2002............	-	14,567	40,337	54,904
2003............	-	14,566	27,401	41,967
2004............	-	14,507	27,403	41,910
2005............	-	14,446	27,402	41,848
2006............	-	14,426	27,402	41,829
2007............	-	14,339	27,401	41,740
2008............	-	14,286	27,406	41,692
2009............	-	14,203	27,402	41,606
2010............	-	10,739	27,912	38,651
2011............	-	11,150	27,914	39,064
2012............	-	-	27,911	27,911
2013............	-	-	27,912	27,912
TOTAL.............	$ 372,205	$ 752,931	$ 1,264,686	$ 2,389,823

STATE OF MICHIGAN

DEBT SERVICE REQUIREMENTS TO MATURITY - GENERAL OBLIGATION BONDS

SEPTEMBER 30, 1983

(In Thousands)

FISCAL YEAR ENDING SEPTEMBER 30	PRINCIPAL	INTEREST	TOTAL REQUIREMENTS
1984............	$ 50,000	$ 15,068	$ 65,068
1985............	50,600	12,526	63,126
1986............	51,200	9,892	61,092
1987............	40,300	7,443	47,743
1988............	24,500	5,130	29,630
1989............	21,700	3,767	25,467
1990............	14,000	2,533	16,533
1991............	9,000	1,909	10,909
1992............	9,000	1,478	10,478
1993............	9,000	1,084	10,084
1994............	6,000	765	6,765
1995............	5,000	518	5,518
1996............	5,000	343	5,343
1997............	5,000	242	5,242
1998............	5,000	141	5,141
1999............	4,000	60	4,060
TOTAL.............	$ 309,300	$ 62,905	$ 372,205

STATE OF MICHIGAN

DEBT SERVICE REQUIREMENTS TO MATURITY - REVENUE DEDICATED BONDS

OVERSIGHT ENTITY

1983

(In Thousands)

FISCAL YEAR ENDING SEPTEMBER 30	PRINCIPAL	INTEREST	TOTAL REQUIREMENTS
1984............	$ 24,765	$ 28,168	$ 52,933
1985............	24,315	27,657	51,972
1986............	17,665	26,525	44,190
1987............	14,795	25,543	40,338
1988............	9,360	24,755	34,115
1989............	10,245	23,982	34,227
1990............	10,785	23,124	33,909
1991............	11,600	22,165	33,765
1992............	12,540	21,122	33,662
1993............	13,510	19,995	33,505
1994............	14,345	18,823	33,168
1995............	15,535	17,511	33,046
1996............	15,865	16,132	31,997
1997............	17,225	14,641	31,866
1998............	18,905	13,005	31,910
1999............	20,605	11,211	31,816
2000............	5,400	9,243	14,643
2001............	5,850	8,780	14,630
2002............	6,300	8,267	14,567
2003............	6,850	7,716	14,566
2004............	7,400	7,107	14,507
2005............	8,000	6,446	14,446
2006............	8,700	5,726	14,426
2007............	9,400	4,939	14,339
2008............	10,200	4,086	14,286
2009............	11,050	3,153	14,203
2010............	8,600	2,139	10,739
2011............	10,000	1,150	11,150
TOTAL.............	$ 349,810	$ 403,121	$ 752,931

STATE OF MICHIGAN

DEBT SERVICE REQUIREMENTS TO MATURITY - REVENUE DEDICATED BONDS

STATE AUTHORITIES - GOVERNMENTAL

1983

(In Thousands)

FISCAL YEARS ENDING	PRINCIPAL	INTEREST	TOTAL REQUIREMENTS
1984............	$ 6,450	$ 45,517	$ 51,967
1985............	7,240	45,027	52,267
1986............	7,830	44,463	52,293
1987............	8,505	43,836	52,341
1988............	11,105	43,143	54,248
1989............	12,090	42,227	54,317
1990............	13,105	41,196	54,301
1991............	14,270	40,073	54,343
1992............	15,555	38,848	54,403
1993............	15,810	37,483	53,293
1994............	32,731	36,083	68,814
1995............	18,905	33,691	52,596
1996............	18,825	31,941	50,766
1997............	18,445	30,169	48,614
1998............	16,070	28,383	44,453
1999............	14,565	26,650	41,215
2000............	15,405	24,913	40,318
2001............	17,300	23,019	40,319
2002............	19,445	20,892	40,337
2003............	8,900	18,501	27,401
2004............	9,970	17,433	27,403
2005............	11,165	16,237	27,402
2006............	12,505	14,897	27,402
2007............	14,005	13,396	27,401
2008............	15,690	11,716	27,406
2009............	16,785	10,617	27,402
2010............	18,470	9,442	27,912
2011............	20,480	7,434	27,914
2012............	22,705	5,206	27,911
2013............	25,175	2,737	27,912
TOTAL.............	$ 459,501	$ 805,185	$ 1,264,686

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STATE OF MICHIGAN

COMBINED SCHEDULE OF REVENUE AND OTHER FINANCING SOURCES

GENERAL AND SPECIAL REVENUE FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 1983

(In Thousands)

SOURCE	TOTAL	GENERAL PURPOSE	RESTRICTED
TAXES			
Sales tax	$ 1,698,983	$ 1,444,135	$ 254,847
Personal income tax	2,766,377	2,466,522	299,854
Corporation income tax	5,353	5,353	-
Single business tax	1,041,745	878,270	163,475
Use tax	279,516	279,516	-
Cigarette tax	242,068	126,776	115,291
Beer and wine tax	51,462	51,462	-
Liquor excise tax	38,444	38,444	-
Horse race wagering tax	21,118	8,200	12,917
Intangibles tax	52,768	52,768	-
Inheritance tax	64,169	64,169	-
Telephone and telegraph company tax	107,984	107,984	-
Insurance company premium tax	101,573	101,573	-
Motor vehicle weight tax	237,724	237,724	-
Gasoline tax	434,575	434,575	-
Aviation fuel tax	2,983	2,983	-
Diesel fuel tax	28,834	28,834	-
Gas and oil severance tax	78,679	78,679	-
Industrial facilities tax	32,185	32,185	-
Penalties and interest - sales, use, income, and single business tax	39,064	39,064	-
Watercraft registration tax	2,081	2,081	-
Other taxes	5,739	5,739	-
	7,333,434	6,487,046	846,387
FROM FEDERAL AGENCIES			
Department of Health and Human Services	1,863,240	32,871	1,830,369
Department of Education	218,573	-	218,573
Department of Agriculture	157,923	203	157,720
Department of Labor	185,765	-	185,765
Department of Housing and Urban Development	42,311	37	42,274
Environmental Protection Agency	12,318	28	12,290
Department of Energy	20,625	-	20,625
Department of Transportation	220,196	15,154	205,042
Department of Interior	9,560	24	9,536
Department of Defense	10,840	17	10,822
Department of Justice	4,583	-	4,583
Other federal agencies	22,832	11,873	10,959
	2,768,773	60,209	2,708,564
FROM LOCAL AGENCIES			
Counties	113,468	36,000	77,468
Cities, villages, and townships	16,378	-	16,378
Colleges and universities	4,652	-	4,652
School districts	4,904	-	4,904
Multi-level governmental units	1,292	-	1,292
Other local agencies	1,794	964	829
	142,491	36,965	105,525

STATE OF MICHIGAN

COMBINED SCHEDULE OF REVENUE AND OTHER FINANCING SOURCES (Continued)

GENERAL AND SPECIAL REVENUE FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 1983

(In Thousands)

SOURCE	TOTAL	GENERAL PURPOSE	RESTRICTED
FROM SERVICES			
Charges for furnishing vehicle driver records	$ 15,112	$ 2,945	$ 12,167
Revenue from patients, wards, and inmates	42,184	28,677	13,506
Other services	5,214	1,097	4,117
	62,511	32,719	29,791
FROM LICENSES AND PERMITS			
Liquor retailers', manufacturers', and wholesalers' licenses	11,948	1,176	10,771
Motor vehicle operators' and chauffeurs' licenses	13,287	681	12,606
Examination fees -- financial institutions and insurance industry	3,749	335	3,413
Department of Licensing and Regulation licenses and permits	15,090	14,185	904
Concession and privilege fees - State parks	7,357	-	7,357
Motor vehicle title fees, license plate transfer and dealers' plates, various special fees, and registrations	20,876	17,493	3,382
Hunting, fishing, and trapping licenses	24,342	21,858	2,484
Public utility assessment fees	10,369	3	10,365
Department of Commerce licenses and permits	5,831	2,578	3,252
Department of Agriculture licenses and permits	2,352	590	1,761
Auto repair facilities and mechanics licenses and fees	2,670	540	2,130
Other licenses and permits	12,200	7,493	4,706
	130,075	66,938	63,137
MISCELLANEOUS			
Lottery operations	553,294	33,015	520,278
Revenue from escheated estates	20,171	20,000	171
Air and water surveillance fees	3,637	-	3,637
Income from investments	43,227	34,858	8,369
Various fines, fees, and assessments	9,168	4,827	4,341
Court fines, fees, and assessments	12,571	9,776	2,795
Oil and gas royalties, fees, assignments, and rentals	35,388	30,123	5,265
International Bridge Authority - payroll contributions	1,010	-	1,010
Environmental pollution settlements	986	986	-
Sale of forest products on tax reverted land	3,289	-	3,289
Other miscellaneous	38,508	23,912	14,595
	721,253	157,499	563,753
Total Revenue	11,158,538	6,841,377	4,317,160
OTHER FINANCING SOURCES			
Proceeds from sale of bonds	132,186	-	132,186
Operating transfers in:			
From general and special revenue funds	1,094,210	950,875	143,335
From other funds	84,792	66,724	18,068
Total Other Financing Sources	1,311,189	1,017,599	293,589
Total Revenue and Other Financing Sources	$12,469,728	$ 7,858,977	$ 4,610,750

Note: This schedule was prepared on the Statutory/Budgetary basis.

STATE OF MICHIGAN

SCHEDULE OF REVENUE AND OTHER FINANCING SOURCES

GENERAL FUND

FISCAL YEAR ENDED SEPTEMBER 30, 1983

(In Thousands)

SOURCE	TOTAL	GENERAL PURPOSE	RESTRICTED
TAXES			
Sales tax	$ 655,164	$ 400,317	$ 254,847
Personal income tax	2,766,377	2,466,522	299,854
Corporation income tax	5,353	5,353	-
Single business tax	1,041,745	878,270	163,475
Use tax	279,516	279,516	-
Cigarette tax	219,017	103,725	115,291
Beer and wine tax	51,462	51,462	-
Liquor excise tax	19,222	19,222	-
Horse race wagering tax	21,118	8,200	12,917
Intangibles tax	52,768	52,768	-
Inheritance tax	64,169	64,169	-
Telephone and telegraph company tax	107,984	107,984	-
Insurance company premium tax	101,573	101,573	-
Gas and oil severance tax	78,679	78,679	-
Penalties and interest - sales, use, income, and single business tax	39,064	39,064	-
Other taxes	2,734	2,734	-
	5,505,952	4,659,565	846,387
FROM FEDERAL AGENCIES			
Department of Health and Human Services	1,863,240	32,871	1,830,369
Department of Education	187,139	-	187,139
Department of Agriculture	157,923	203	157,720
Department of Labor	48,947	-	48,947
Department of Housing and Urban Development	42,282	8	42,274
Environmental Protection Agency	12,318	28	12,290
Department of Energy	20,625	-	20,625
Department of Transportation	6,213	115	6,097
Department of Interior	8,036	24	8,012
Department of Defense	10,840	17	10,822
Department of Justice	4,583	-	4,583
Other federal agencies	21,372	10,403	10,969
	2,383,524	43,672	2,339,852
FROM LOCAL AGENCIES			
Counties	110,099	35,998	74,100
Cities, villages, and townships	14,250	-	14,250
Colleges and universities	4,652	-	4,652
School districts	4,904	-	4,904
Other local agencies	1,397	16	1,380
	135,303	36,015	99,287
FROM SERVICES			
Charges for furnishing vehicle driver records	15,112	2,945	12,167
Revenue from patients, wards, and inmates	42,184	28,677	13,506
Other services	4,348	277	4,070
	61,645	31,900	29,744

STATE OF MICHIGAN

SCHEDULE OF REVENUE AND OTHER FINANCING SOURCES (Continued)

GENERAL FUND

FISCAL YEAR ENDED SEPTEMBER 30, 1983

(In Thousands)

SOURCE	TOTAL	GENERAL PURPOSE	RESTRICTED
FROM LICENSES AND PERMITS			
Liquor retailers', manufacturers', and wholesalers' licenses	$ 11,948	$ 1,176	$ 10,771
Motor vehicle operators' and chauffeurs' licenses	13,287	681	12,606
Examination fees--financial institutions and insurance industry	3,749	335	3,413
Department of Licensing and Regulation licenses and permits	15,090	14,185	904
Concession and privilege fees-State parks	7,357	-	7,357
Motor vehicle title fees, license plate transfer and dealers' plates, various special fees, and registrations	3,382	-	3,382
Public utility assessment fees	10,369	3	10,365
Department of Commerce licenses and permits	5,831	2,578	3,252
Department of Agriculture licenses and permits	2,352	590	1,761
Auto repair facilities and mechanics licenses and fees	2,670	540	2,130
Other licenses and permits	7,209	3,326	3,883
	83,248	23,418	59,830
MISCELLANEOUS			
Revenue from escheated estates	20,171	20,000	171
Air and water surveillance fees	3,637	-	3,637
Income from investments	10,404	10,378	26
Various fines, fees, and assessments	4,053	868	3,184
Court fines, fees, and assessments	8,717	5,921	2,795
Oil and gas royalties, fees, assignments, and rentals	20,606	16,520	4,085
Sale of forest products on tax reverted land	3,289	-	3,289
Other miscellaneous	26,774	13,631	13,143
	97,653	67,320	30,332
Total Revenue	8,267,328	4,861,891	3,405,436
OTHER FINANCING SOURCES			
Operating transfers in:			
From Special Revenue Funds:			
Michigan Transportation Fund	46,569	-	46,569
Game and Fish Protection Fund	33,855	-	33,855
State Trunkline Fund	7,531	-	7,531
Michigan State Waterways Fund	5,498	-	5,498
Michigan Employment Security Act--Administration Fund	4,035	-	4,035
Marine Safety Fund	2,811	-	2,811
State Park Improvement Fund	4,718	-	4,718
Other	7,844	962	6,882
Total From Special Revenue Funds	112,865	962	111,902
From Other Funds:			
Liquor Purchase Revolving Fund	62,406	61,841	565
Other	9,389	324	9,064
Total From Other Funds	71,796	62,165	9,630
Total Other Financing Sources	184,661	63,128	121,533
Total Revenue and Other Financing Sources	$ 8,451,989	$ 4,925,020	$ 3,526,969

NOTE: This schedule was prepared on the Statutory/Budgetary basis.

STATE OF MICHIGAN

DISPOSITION OF GENERAL FUND AUTHORIZATIONS

FISCAL YEAR ENDED SEPTEMBER 30, 1983

(In Thousands)

	CURRENT LEGISLATIVE APPROPRIATION	UNEXPENDED BALANCES FROM PRIOR YEARS	RESTRICTED REVENUE ADDITIONS	BUDGETARY TRANSFERS IN (OUT)
Executive	$ 2,651	$ -	$ 10	$ -
Legislative	51,539	4,051	892	-
Judicial	56,998	93	17,675	9,265
Management and Budget	123,039	99,807	649,561	(15,417)
Attorney General	14,367	275	5,713	371
Civil Rights	7,971	2	1,623	-
Civil Service	8,155	34	5,120	(71)
State	9,370	1,166	65,462	(82)
Treasury	169,638	54,977	261,766	(73,571)
Education	440,946	1,016	342,774	8,773
Grants to Colleges and Universities	896,481	8,366	473	3,031
Public Health	94,474	5,246	97,138	11,461
Mental Health	539,894	9,257	14,574	90,084
Social Services	1,944,139	1,691	1,765,004	(40,352)
Corrections	237,416	22,426	586	(15,520)
Military Affairs	9,141	685	6,091	124
State Police	125,352	3,970	15,312	(1,873)
Commerce	75,156	19,219	75,362	(427)
Labor	63,534	378	87,767	10,158
Licensing and Regulation	13,479	28	2,259	-
Natural Resources	49,983	15,253	96,525	12,419
Agriculture	18,702	443	15,273	1,628
Items Not Assigned to Departments	-	-	-	-
TOTAL	$ 4,952,436	$ 248,392	$ 3,526,969	$ -

NOTE: This schedule was prepared on the Statutory/Budgetary basis.

TOTAL AUTHORIZATIONS	EXPENDED AND TRANSFERRED	ENCUMBERED BALANCES FORWARD	UNENCUMBERED BALANCES FORWARD	LAPSED	OVER EXPENDED OR OVER OBLIGATED
$ 2,661	$ 2,404	$ 2	$ -	$ 254	$ -
56,483	48,444	1,716	3,446	2,875	-
84,033	84,517	55	45	-	584
856,991	721,055	3,256	99,811	32,871	3
20,729	19,586	97	180	864	-
9,597	9,434	12	-	151	-
13,239	11,209	21	-	2,008	-
75,917	73,521	595	126	1,673	-
412,810	152,788	89	233,024	29,261	2,353
793,510	783,755	1,601	550	7,849	246
908,352	876,966	769	5,781	24,834	-
208,321	197,108	3,401	1,251	6,724	165
653,811	632,690	3,127	5,400	26,793	14,199
3,670,483	3,594,025	1,075	630	102,456	27,704
244,908	230,513	3,541	4,947	5,906	-
16,042	14,312	694	328	706	-
142,761	135,916	919	521	5,403	-
169,310	130,054	30,624	4,016	4,614	-
161,837	158,853	275	2,135	1,638	1,065
15,767	14,940	76	-	750	-
174,182	153,394	2,989	12,156	6,483	842
36,046	33,263	108	-	2,675	-
-	64,370	-	-	-	64,370
$ 8,727,798	$ 8,143,129	$ 55,053	$ 374,355	$ 266,798	$ 111,537

STATE OF MICHIGAN

SCHEDULE OF TAXES, INTEREST AND PENALTIES RECEIVABLE BY FUND

SEPTEMBER 30, 1983

(In Thousands)

AGE	GENERAL FUND	STATE AERONAUTICS FUND	MICHIGAN STATE WATERWAYS FUND	MICHIGAN TRANSPORTATION FUND	SCHOOL AID FUND	MICHIGAN EMPLOYMENT SECURITY ACT CONTINGENCY FUND
0 - 60 Days..............	$ 873,947	$ 276	$ 14	$ 45,485	$ 89,777	$ 5,113
61 - 90 Days..............	51,718	-	-	301	2,536	-
91 - 180 Days..............	97,316	-	-	268	6,584	-
181 - 365 Days..............	60,766	-	-	1,203	4,576	-
1 - 2 Years...............	48,879	-	-	685	6,139	-
Over 2 Years..............	68,968	-	-	2,687	7,821	-
TOTAL TAXES RECEIVABLE........	1,201,597	276	14	50,630	117,434	5,113
LESS ALLOWANCE FOR UNCOLLECTIBLE TAXES.........	195,391	5	-	5,390	27,440	-
LESS REVENUE EXPECTED TO BE RECEIVED AFTER SEPTEMBER 30, 1984......................	17,827	-	-	53	2,689	-
NET TAXES RECEIVABLE..........	$ 988,378	$ 271	$ 14	$ 45,186	$ 87,304	$ 5,113

STATISTICAL SECTION

STATISTICAL DATA—LAST TEN YEARS

STATE OF MICHIGAN

REVENUE BY SOURCE

GENERAL AND SPECIAL REVENUE FUNDS

LAST TEN YEARS

SEPTEMBER 30, 1983

(In Thousands)

SOURCE	1973-1974	1974-1975	1975-1976	1976-1977
TAXES	$ 3,467,770	$ 3,488,331	$ 4,907,922	$ 4,760,007
FEDERAL AGENCIES	1,264,706	1,445,000	2,144,561	1,840,934
LOCAL AGENCIES	12,114	13,812	15,692	29,184
SERVICES	38,802	41,822	43,612	33,294
LICENSES AND PERMITS	226,345	237,670	269,002	108,511
MISCELLANEOUS	277,179	270,618	385,958	329,813
TOTAL REVENUE	$ 5,286,920	$ 5,497,256	$ 7,766,751	$ 7,101,746

NOTE: In 1975-76 the fiscal year end was changed from June 30 to September 30, resulting in a 15-month period which began on July 1, 1975 and ended on September 30, 1976.

This schedule was prepared on the Statutory/Budgetary basis.

1977-1978	1978-1979	1979-1980	1980-1981	1981-1982	1982-1983
$ 5,389,620	$ 6,044,023	$ 6,126,400	$ 6,195,020	$ 6,500,591	$ 7,333,434
2,066,814	2,129,729	2,452,370	2,602,459	2,577,866	2,768,773
36,125	37,982	52,137	71,149	118,222	142,491
37,851	46,332	50,039	55,827	59,779	62,511
97,993	97,875	119,396	127,584	123,794	130,075
445,842	601,977	717,786	735,179	733,009	721,253
$ 8,074,248	$ 8,957,921	$ 9,518,130	$ 9,787,221	$10,113,263	$11,158,538

STATE OF MICHIGAN

TAX REVENUE BY SOURCE

GENERAL AND SPECIAL REVENUE FUNDS

LAST TEN YEARS

SEPTEMBER 30, 1983

(In Thousands)

SOURCE	1973-1974	1974-1975	1975-1976	1976-1977
SALES TAX	$ 1,055,630	$ 1,111,676	$ 1,318,947	$ 1,223,667
PERSONAL INCOME TAX	965,704	962,805	1,566,656	1,465,467
SINGLE BUSINESS TAX	-	-	354,851	803,525
USE TAX	131,616	153,497	193,304	183,323
LIQUOR, BEER, WINE, AND CIGARETTE TAX	215,165	217,474	279,703	225,454
TELEPHONE AND TELEGRAPH COMPANY TAX	53,237	59,290	132,456	76,212
INSURANCE COMPANY PREMIUM TAX	63,085	67,565	70,583	81,547
MOTOR VEHICLE AND FUEL TAX	550,321	547,172	678,675	596,420
OTHER TAXES	433,002	368,839	312,739	104,385
TOTAL TAXES	$ 3,467,770	$ 3,488,331	$ 4,907,922	$ 4,760,007

NOTE: In 1975-76, the fiscal year end was changed from June 30 to September 30, resulting in a 15-month period which began on July 1, 1975 and ended on September 30, 1976.

This schedule was prepared on the Statutory/Budgetary basis.

1977-1978	1978-1979	1979-1980	1980-1981	1981-1982	1982-1983
$ 1,376,414	$ 1,506,294	$ 1,503,972	$ 1,594,970	$ 1,570,630	$ 1,698,983
1,712,373	1,943,478	1,912,044	2,036,016	2,292,258	2,766,377
899,390	1,001,300	1,076,010	942,249	943,148	1,041,745
210,482	232,895	232,319	245,689	247,358	279,516
229,314	225,930	229,104	243,254	279,778	331,975
81,966	87,413	93,828	98,773	105,195	107,984
99,755	108,778	148,569	110,972	104,253	101,573
615,130	742,512	713,455	652,121	671,429	704,118
164,792	195,421	217,094	270,973	286,539	301,159
$ 5,389,620	$ 6,044,023	$ 6,126,400	$ 6,195,020	$ 6,500,591	$ 7,333,434

STATE OF MICHIGAN

SCHEDULE OF EXPENDITURES BY FUNCTION

GENERAL AND SPECIAL REVENUE FUNDS

LAST TEN YEARS

SEPTEMBER 30, 1983

(In Thousands)

	1973-1974	1974-1975	1975-1976	1976-1977
Current:				
General government......................	$ 249,549	$ 281,332	$ 441,793	$ 388,417
Education...............................	1,922,559	2,081,217	2,629,984	2,402,842
Health and welfare......................	1,465,776	1,731,176	2,509,930	2,128,233
Public safety and corrections...........	121,399	141,889	207,823	197,867
Conservation, recreation, and agriculture...........................	87,728	95,846	132,936	115,389
Labor, commerce, and regulatory.........	125,535	165,791	237,034	206,616
Mental health...........................	246,205	278,783	364,427	326,820
Transportation..........................	620,956	690,293	900,074	744,596
State-local revenue sharing grants......	-	-	-	-
Items not assigned to a function........	328,226	322,631	383,777	493,734
Capital outlay..........................	-	-	-	-
Total Expenditures..................	$ 5,167,947	$ 5,788,969	$ 7,807,795	$ 7,004,533

NOTE: In 1975-76 the fiscal year end was changed from June 30 to September 30, resulting in a 15-month period which began on July 1, 1975 and ended on September 30, 1976.

For years prior to 1978-79, operating transfers to funds other than the General and Special Revenue Funds and capital outlay expenditures are included in "current expenditures."

For years prior to 1980-81, State-local revenue sharing grants were included in "Items not assigned to a function."

This schedule was prepared on the Statutory/Budgetary basis.

1977-1978	1978-1979	1979-1980	1980-1981	1981-1982	1982-1983
$ 475,273	$ 566,092	$ 631,499	$ 698,009	$ 838,752	$ 773,558
2,637,032	2,977,051	3,121,272	2,949,451	2,716,679	3,002,603
2,371,985	2,558,304	3,032,898	3,284,977	3,462,681	3,789,246
244,587	266,892	309,790	338,269	360,174	373,950
143,620	142,778	171,834	169,726	173,777	185,539
275,724	285,184	347,309	416,901	419,429	444,336
390,287	450,925	537,906	714,708	810,404	630,171
738,101	602,054	669,645	659,516	672,674	667,625
-	-	-	542,232	525,124	595,097
546,373	639,979	667,014	-	8,238	64,370
-	396,386	443,852	329,670	317,227	278,074
$ 7,822,988	$ 8,885,649	$ 9,933,024	$10,103,459	$10,305,165	$10,804,575

STATE OF MICHIGAN

RATIO OF ANNUAL GENERAL FUND DEBT SERVICE TRANSFERS FOR GENERAL OBLIGATION BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES AND TRANSFERS

LAST TEN YEARS

SEPTEMBER 30, 1983

(In Thousands)

FISCAL YEAR	PRINCIPAL	INTEREST AND FISCAL CHARGES	TOTAL DEBT SERVICE TRANSFERS	TOTAL GENERAL FUND EXPENDITURES AND TRANSFERS	RATIO OF DEBT SERVICE TRANSFERS TO GENERAL FUND EXPENDITURES AND TRANSFERS
1973-1974	23,542	19,027	42,570	3,886,126	1.10
1974-1975	28,351	18,779	47,131	4,347,054	1.08
1975-1976	34,621	32,639	67,260	5,826,019	1.15
1976-1977	32,626	26,617	59,244	5,326,996	1.11
1977-1978	37,270	25,429	62,700	6,107,850	1.03
1978-1979	40,470	23,088	63,558	6,853,855	.93
1979-1980	34,984	21,085	56,069	7,563,326	.74
1980-1981	33,885	17,341	51,227	7,482,732	.68
1981-1982	40,279	16,579	56,859	7,516,015	.76
1982-1983	43,000	14,471	57,471	8,143,129	.71

NOTE: In 1975-1976 the fiscal year end was changed from June 30 to September 30, resulting in a 15-month period which began on July 1, 1975 and ended on September 30, 1976.

Principal and interest on short-term general obligation notes are not included in this bonded debt schedule.

This schedule was prepared on the Statutory/Budgetary basis.

STATE OF MICHIGAN

NET GENERAL OBLIGATION BONDED DEBT PER CAPITA

LAST TEN YEARS

SEPTEMBER 30, 1983

(In Thousands)

	1973-1974	1974-1975	1975-1976	1976-1977
POPULATION*.............................	9,117	9,111	9,113	9,129
GROSS BONDED DEBT........................	$ 410,500	$ 556,500	$ 573,500	$ 537,500
LESS DEBT SERVICE FUNDS..................	225	2,390	2,655	3,188
NET BONDED DEBT..........................	$ 410,275	$ 554,110	$ 570,845	$ 534,312
NET BONDED DEBT PER CAPITA (IN DOLLARS)...	$ 45.00	$ 60.82	$ 62.64	$ 58.53

NOTE: In 1975-76 the fiscal year end was changed from June 30 to September 30, resulting in a 15-month period which began on July 1, 1975 and ended on September 30, 1976.

*SOURCE: Federal Bureau of the Census and Michigan Department of Management and Budget.

1977-1978	1978-1979	1979-1980	1980-1981	1981-1982	1982-1983
9,233	9,208	9,236	9,275	9,227	9,155
$ 527,500	$ 482,500	$ 439,100	$ 409,600	$ 361,000	$ 309,300
4,447	3,385	6,179	5,837	6,204	7,960
$ 523,053	$ 479,114	$ 432,920	$ 403,762	$ 354,795	$ 301,339
$ 56.65	$ 52.03	$ 46.87	$ 43.53	$ 38.45	$ 32.91

ECONOMIC AND SOCIAL DATA

STATE OF MICHIGAN

ECONOMIC AND SOCIAL DATA

GENERAL INFORMATION

On January 26, 1837, Michigan was admitted to the Union as the twenty-sixth state. It is located in the East North Central Census Region and is bordered by Canada and the states of Ohio, Indiana, and Wisconsin. Michigan contains 57,022 square miles of land mass (exclusive of 1,194 square miles of inland water and 38,575 square miles of great lakes water area) with 3,288 miles of shoreline on four of the five great lakes. A combined water and land area of 96,791 square miles makes it the tenth largest state.

POPULATION

The following table presents population trends for Michigan and the United States for the years since 1979:

Year	Michigan Population	% Increase From Preceding Period	United States Population	% Increase Over Preceding Period
1979(a)	9,255,700	0.4%	225,287,000	3.1%
1980(a)	9,265,200	0.1%	227,790,000	1.1%
1981(a)	9,271,600	0.1%	229,980,000	1.0%
1982(a)	9,227,300	(0.4%)	232,114,000	0.9%
1983(b)	9,155,841	(0.8%)	234,359,000	1.0%

Sources:

(a) Michigan population figures are estimates prepared by the State of Michigan, Department of Management and Budget, State Demographer. United States population data were obtained from the U.S. Department of Commerce, Bureau of the Census, Current Population Reports, series P-25, numbers 898, 899, 907, and 941.
(b) The Michigan population figure is a preliminary estimate prepared by the State of Michigan, Department of Management and Budget, State Demographer. The United States population figure is an estimate obtained from the U.S. Department of Commerce, Bureau of the Census, Current Population Reports, series P-25, number 941.

WEALTH

The following table presents per capita income, retail sales, and taxable property values in Michigan and the United States during the years 1978-1982:

	Per Capita Income (a)		Retail Sales (b) (In Millions)		Taxable Property Value (c) (In Millions)	
YEAR	MI	U.S.	MI	U.S.	MI	U.S.
1978	$ 8,452	$ 7,775	$34,397	$ 804,684	$64,863	N/A
1979	9,296	8,655	37,711	894,343	72,512	N/A
1980	9,876	9,480	38,448	951,902	82,581	N/A
1981	10,790	10,491	40,660	1,038,790	91,799	N/A
1982	11,052	11,056	39,413	1,069,371	98,210	N/A

Sources:

(a) U.S. Department of Commerce, Bureau of Economic Analysis, Survey of Current Business, August, 1982.
(b) U.S. Department of Commerce, Bureau of the Census, Monthly Retail Trade, Sales, and Inventory Report.
(c) State of Michigan, Department of Treasury, State Tax Commission.

STATE OF MICHIGAN

ECONOMIC AND SOCIAL DATA (Continued)

TRANSPORTATION

The following table presents transportation related statistics for the State of Michigan for the years since 1979:

	Years Ended September 30,				
	1979	1980	1981	1982	1983
Miles of State Highways - State Jurisdiction..................(a)	9,468	9,479	9,502	9,476	9,471
Motor Fuel Sales - Gallons.....(a)(d)	5,561,320,642	4,953,237,947	4,633,593,644	4,448,626,661	4,259,191,014
Motor Vehicle Titles Issued....(b)	1,284,349	1,192,006	1,060,771	851,920	1,097,980
Registration Transactions:					
Regular Motor Vehicles.......(b)	7,311,507	7,331,268	6,861,667	7,179,316	7,170,009
Watercraft...................(c)	699,396	735,444	662,952	692,609	626,196
Snowmobiles..................(c)	451,719	467,036	368,421	386,619	282,402
Other Off Road Vehicles......(c)	30,238	76,322	90,457	40,325	66,446

Sources:

(a) State of Michigan, Department of Transportation - as of June 30.
(b) State of Michigan, Department of State
(c) State of Michigan, Department of State - issued for a three year period.
(d) In 1983 the method of determining the amount of Motor Fuel Sales went from the cash basis to the accrual basis.

EMPLOYMENT

The following table presents the percentage distribution of nonagricultural wage and salary employment in Michigan and the United States for 1982:

Type of Employment	MI(a)	U.S.(b)
Manufacturing.....................	27%	21%
Wholesale and Retail Trade........	22%	23%
Services, Mining..................	21%	21%
Government........................	18%	18%
Transportation, Public Utilities..	4%	6%
Finance, Insurance, Real Estate...	5%	6%
Construction......................	3%	5%

Sources:

(a) Michigan Employment Security Commission.
(b) U.S. Council of Economic Advisors, Economic Indicators, March, 1983.

The following table presents employment data (expressed in thousands) for the State of Michigan for the calendar years 1973-82:

Year	Total Labor Force	Total Employment	Unemployment	Unemployment
1973	3,805	3,581	223	5.9%
1974	3,881	3,593	288	7.4%
1975	3,985	3,408	486	12.4%
1976	3,994	3,621	373	9.3%
1977	4,117	3,780	336	8.2%
1978	4,198	3,909	289	6.9%
1979	4,313	3,978	335	7.8%
1980	4,290	3,756	534	12.5%
1981	4,301	3,773	528	12.3%
1982	4,275	3,614	660	15.5%

Source: Michigan Employment Security Commission.